The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

ARTICLES IN THIS ISSUE

New Reorganization System in Manchuria Foreshadows Eventual Annexation

How the Soviets Hope to Modernize the Howling Siberian Wilderness

Washington's "I Told You So" on Japanese Loan Issue

Japanese Attempt to "Dethrone" Maze As I. G. of Customs---U.S. Holds Trump Card!

Proposed Canal Across Nicaragua Not at All a New Idea

Low Coal Prices Coincide with Exceptionally Mild Winter

Japan Denounces Naval Treaty---U. S. Announces Unprecedented Fleet Maneuvers

Gen. Chiang Kai-shek Gives Views on Economic Situation; Reds Suffer Reverses in Kweichow

China's Need of a National and Independent News Service . . . . . By Kuo Wei-hung

The National Economic Council in 1934 . . By Chin Fen

Nanking's Elaborate Plan to Develop Sinkiang . . . . . By C. Y. W. Meng

Is Dictatorship Suitable for China? . . . . By Paul K. Whang

SATURDAY, JANUARY 5, 1935 VOLUME 71, NUMBER 6

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The National City Bank of New York, Rates of Exchange

Shanghai, Dec. 31, 1934

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.93
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.86
Demand selling rate on London:	£1.0.0=Sh. $14.52
Demand buying rate on London:	£1.0.0=Sh. $14.20

Latest New York Stock Exchange Quotations

January 1, 1935

Business Done:
Total Volume:- 1,020,000 Shares

1933-34 High	1933-34 Low	Div. $ per sh.	STOCKS	Last Sale Dec. 29	Last Sale Dec. 31
118	47½	3.00	Air Reduction	112½	112¼
33	11½	1.20	Alaska Juneau	19	18⅞
160¾	70¾	6.00	Allied Chemical	137½	137½
26⅝	6	—	Allis Chalmers	16⅝	16⅝
42¼	9¼	0.80	Am. Brake Shoe & Fdry.	28	29¼
114¾	49½	4.00	American Can	114¾	114¼
89⅞	13	—	Amer. Comml. Alcohol	32¼	31¾
22½	3¼	0.25	Amer. Cyanamid "B"	16	16⅜
19⅝	3⅞	—	American & For. Power	4⅜	4⅜
39⅛	5⅞	—	American Locomotive	18⅛	18⅞
19	4⅝	—	American Radiator	15⅝	15½
53¼	10¾	—	American Smelting	38⅞	38⅞
134¾	86½	9.00	American Tel. & Tel.	104¼	105
94¾	50¾	5.00	American Tobacco "B"	83½	83¼
43¼	10⅞	1.00	American Waterworks	14¼	14½
22⅞	5	—	Anaconda Copper	11¾	11¼
35¼	12⅜	1.00	Atlantic Refining	25⅝	25⅜
84¼	16⅞	—	Auburn	26	26½
37⅞	8¼	—	Baltimore & Ohio	14⅛	14
49½	10¾	—	Bethlehem Steel	32	32¼
11	6¾	—	Boeing Airplane Co.,	9¾	9⅝
30½	5½	1.00	Borg Warner	30½	31¼
20⅞	7¼	—	Canadian Pacific Railway	11¾	11¼
103½	30½	—	Case, J. I.	56	57¼
40¾	15⅞	1.40	Chase National Bank	23⅝	24½
52½	14⅞	2.50	Chesapeake Corporation	44¼	44
60⅜	7¾	1.00	Chrysler	41⅞	41⅝
28½	6⅞	—	Columbia Gas & Electric	7½	7⅜
57¼	9	0.60	Coml. Solvents	21⅜	21⅝
6½	1	—	Commonwealth & Southern (ord.)	1¼	1¼
64½	19	2.00	Consolidated Gas of N. Y.	19⅝	20⅜
64½	23¾	2.40	Continental Can	63¼	63¼
23⅜	4⅞	1.00	Continental Oil	18⅜	18⅞
90⅝	45⅜	3.00	Corn Products	65⅜	65⅜
9⅞	2	—	Coty Inc.	6	6¼
28¼	10¼	—	Douglas Aircraft	24⅜	24⅝
103⅞	32½	2.60	Du Pont de Nemours	95½	95⅝
116½	46	4.00	Eastman Kodak	112½	112
31⅜	10	—	Electric Auto Lite	29	28¾
41⅝	6⅛	—	Electric Bond & Share	7⅜	7½
19	8¼	—	Fox Film "A"	13¾	13½
50⅜	16¼	2.00	Freeport Texas	25	25¾
43⅝	13¾	1.00	General America Transport	37½	38
80¼	10½	0.60	General Electric	21⅞	22¼
39⅞	21	1.80	General Foods	34⅞	33¾
42	10	1.00	General Motors	33⅝	34⅛
28¾	3¾	1.00	Glidden Co.	27¼	27⅜
27⅜	12	1.20	Gold Dust	17½	17⅜
47½	9¼	—	Goodyear Tire & Rubber	24⅞	25⅛
81¼	15	8.00	Hercules Power Co.	74½	74½
50⅜	7½	—	Illinois Central	16½	16⅝
40	6½	—	International Cement	29½	29
46⅞	13⅛	0.80	International Harvester	43	42¼
29¼	6¾	0.60	International Nickel	24⅛	23⅞
21⅝	5¼	—	International Tel. & Tel.	9⅛	9¼
66⅜	12¼	—	Johns Manville	54¼	54
26	7⅜	0.60	Kennecott	17¼	17¼
110	49	4.00	Liggett & Myers "B"	104½	104½
37¼	8¼	1.00	Loew's Inc.	34¾	34½
25¼	10¾	1.20	Lorillard	20¼	20¼
35⅜	3⅜	—	Montgomery Ward	29¼	29½
48	16⅞	1.00	National City Bank	21	21⅞
33¼	16¼	0.50	National Distillers	28⅝	28⅛
58½	14⅞	—	New York Central	20⅜	20¼
26¼	10⅜	1.00	North American	13	13⅜
96⅜	31½	4.00	Owens Illionois Glass	85	84½
31⅝	13¼	1.50	Pacific Gas & Electric	14⅜	14¼
43⅜	21½	3.00	Pacific Lighting	22¼	23⅛
6⅞	1⅜	—	Packard Motors	5	5
42½	13⅜	1.00	Pennsylvania Railroad	24⅝	24⅜
20⅜	4⅜	1.00	Phillips Petroleum	15⅜	15¼
12¼	3	—	Radio Corporation	5¼	5⅛
54¼	26½	3.00	Reynolds Tobacco "B"	50⅜	50½
51⅜	12½	—	Sears Roebuck	39⅝	39⅛
19⅞	6	0.60	Socony-Vacuum	14½	14¾
28	10¼	1.50	Southern California Edison	12	12
22½	4	—	Standard Gas & Electric	4⅜	4⅝
50½	22¾	1.00	Standard Oil Co. of N. J.	43⅛	43¼
66½	45¾	3.80	Sterling Products	58¼	59¼
30½	10¾	1.00	Texas Corporation	20¾	21
9⅜	2⅝	.12½	Transamerica	5⅝	5⅞
51⅞	19¾	1.40	Union Carbide & Carbon	46⅞	47½
138⅞	61¼	6.00	Union Pacific	108	107⅞
15½	⅛	—	United Aircraft (New)	14⅝	14⅝
14½	⅛	—	United Corporation	2⅞	2⅞
25	11¾	1.20	United Gas Improvement	12¼	12¾
62½	21½	2.00	Universal Leaf	59	58½
25	2⅞	—	U. S. Rubber	16⅝	16⅝
67½	23⅞	—	U. S. Steel	38¾	39
36¼	7⅝	—	Vanadium	20¼	21
13⅝	1	—	Warner Bros. Pictures	4⅝	4½
58¾	19⅜	—	Westinghouse Elect.	37⅞	37⅝
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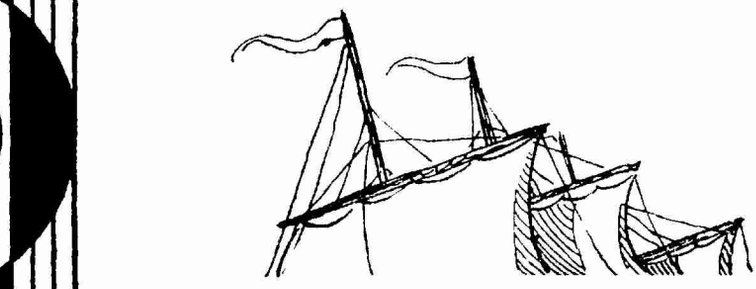

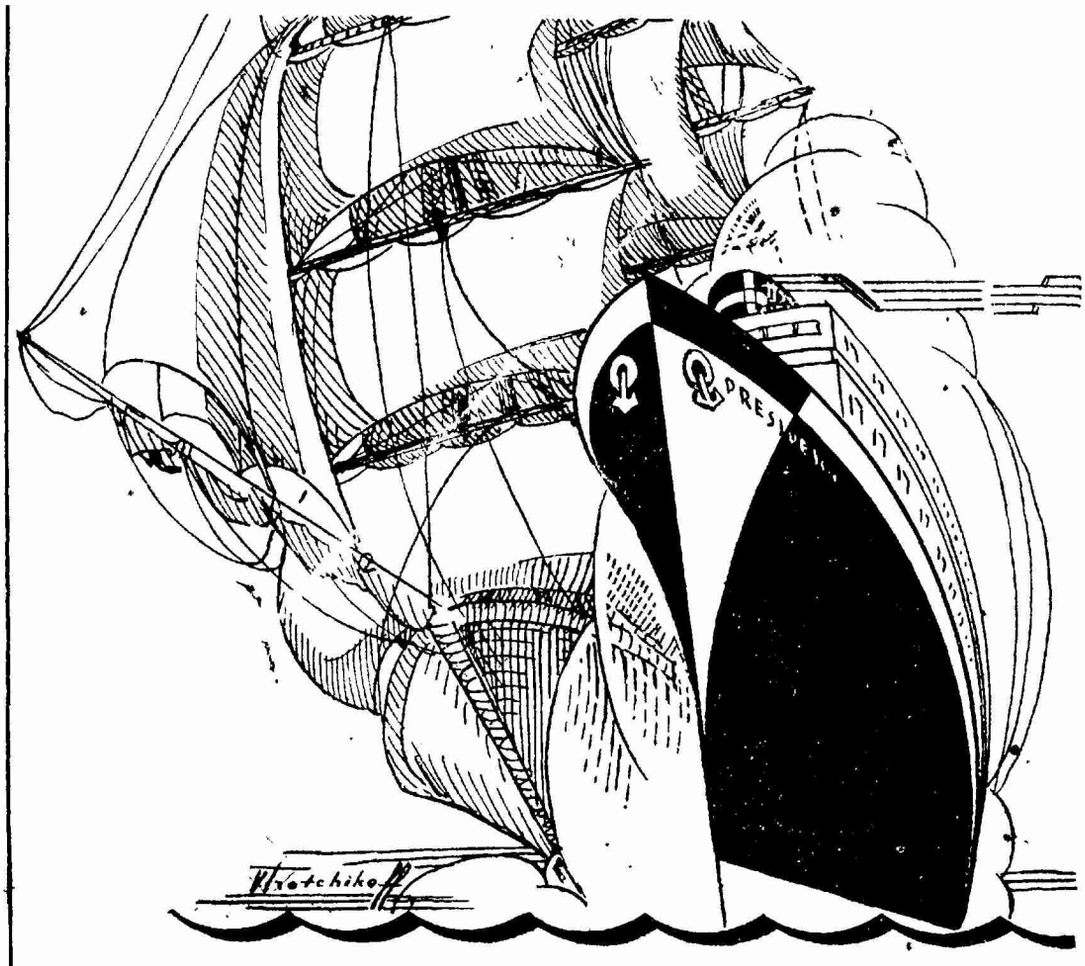

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Formerly Millard's Review

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Washington's "I Told You So" on Japanese Loan Issue 175

Low Coal Prices Coincide with Exceptionally Mild Winter 176

Proposed Canal Across Nicaragua Not at All a New Idea 176

Japanese Attempt to "Dethrone" Maze As I. G. of Customs—U. S. Holds Trump Card! 178

Special Articles

New Reorganization System in Manchuria Foreshadows Eventual Annexation... 179

How the Soviets Hope to Modernize the Howling Siberian Wilderness..... 182

Gen. Chiang Kai-shek Gives Views on Economic Situation; Reds Suffer Reverses in Kweichow ... 185

Japan Denounces Naval Treaty—U. S. Announces Unprecedented Fleet Maneuvers 189

Is Dictatorship Suitable for China?..... By Paul K. Whang 192

Nanking's Elaborate Plan to Develop Sinkiang... .....By C. Y. W. Meng 194

China's Need of a National and Independent News Service .....By Kuo Wei-hung 196

The National Economic Council in 1934..... By Chin Fen 200

Who's Who in China..... 203

Men and Events..... 204

New Books of Interest in the Far East 206

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS." COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON'S "I TOLD YOU SO" ON JAPANESE LOAN ISSUE

THE State Department on December 28 made public a collection of diplomatic papers covering the year of 1919 when Japan was advancing the so-called Nishihara loans to the old Peking government. According to the brief *United Press* message from Washington the release of diplomatic correspondence between the State Department and American diplomatic officials in the Far East showed that the United States tried at the time to discourage Japan's financial activity in China because of the fear that it would lead to military intervention and the establishment of increased Japanese forces on Chinese soil. The papers included dispatches signed by Frank L. Polk, acting Secretary of State, which were addressed to John V. A. MacMurray, who at the time was Charge D'Affairs in Tokyo, wherein Mr. Polk expressed the fear that the reckless lending of money to China, particularly to the northern factions then in control of the Peiping government "would lead to the establishment of additional armed forces in China." The American government viewed these developments with apprehension, Mr. Polk declaring, "Such loans can be used only in the interest of the military forces in north China to overcome the objections of south China and to nullify the beneficient results of the reconciliation between the groups which is now in progress."

These historical disclosures of the State Department are of interest today only from the standpoint that they enable Washington officialdom to say, "I told you so," because developments in Manchuria and north China since 1931 and which are continuing today, bear out all of the fears which the acting Secretary of State expressed in his dispatches to the American Embassy in Tokyo. Japan's occupation, and virtual annexation of China's northeastern provinces, establishment of a sphere of influence in north China and present pressure on the Nanking government to recognize and legalize the Nishihara loans and, the attempt to establish complete hegemony over China's political and economic affairs, are but a consummation of Japanese policies inaugurated in the period of the world war when Japan had practic-

ally a free hand in Asia. Japanese banks, under the inspiration of the Japanese military clique, dumped more than $300,000,000 into north China in the form of loans to the old corrupt Anfu clique. The loans were secured on various natural resources and railways, but the money went to the Chinese military groups and was intended to strengthen their position against revolutionary political and military groups in south China. The Anfu clique was later kicked out, but the loans stood, and now Japan is "cashing-in," not only in Manchuria but elsewhere in China to such an extent that China's political and economic independence is being seriously infringed. Washington's fear, expressed back in 1919, that these loans would lead to the stationing of additional armed forces in China, has been borne out 100-percent for Japan now has approximately 100,000 troops in Manchuria and has strengthened her garrisons in north China while an entirely new garrison has been established in the Hongkew area of Shanghai. As stated, the publication of State Department diplomatic correespondence can do little good at this late date, unless the United States government is preparing to make a definite stand, backed by military power, in support of its policies. In the event that is the case, the disclosures are of some significance because they serve to keep the record straight and show that the State Department was aware of the dangers involved in the Nishihara loans even though it was not in a position to offer effective opposition at the time.

LOW COAL PRICES COINCIDE WITH EXCEPTIONALLY MILD WINTER

THE east coast of Asia has, at least so far, experienced an exceptionally mild winter. In Shanghai, a bare freezing point has been reached for only a few brief moments during several nights. One of the results has been that the Chinese natural ice dealers have so far not been able to harvest a pound of ice, with the consequence that prices for ice have gone up very considerably. On the contrary, but this seems to be merely incidental, prices for coal are lower than they have been for many years. Despite the fact that the Chinese coal industry has been considerably developed in recent years, there is nevertheless an annual import of coal into China exceeding in value ten million dollars. There are three main sources of supply from abroad. Heading the list is French Indo-China, which supplies anthracite of a quality unsurpassed in any part of the world, to a value of not far from three million dollars per year. Only a little less in value, but exceeding the supply from French Indo-China, as regards weight or bulk, is bituminous coal from Japan. Kwantung leased territory (under Japan's control) supplies Fushun coal to a value of a little over two million dollars per year. The duty on the coal from French Indo-China is equivalent to $5.50 per ton. On the cheaper grades it is about $3.50 per ton—which works out at about 40 per cent *advalorem*. It is somewhat of a reflection on the efficiency of the mining industry in China that even with this heavy duty in its favor there should be such a large import. The French Indo-Chinese hard coal is nearly all used for domestic purposes. The cheapest grade of coal for domestic purposes is that supplied by the Kailan Mining Administration. The proportion of householders in Shanghai who make use of coal for domestic purposes in any form has decreased considerably during the past decade, owing to the large increase in the number of people who live in apartments, which are naturally steam heated, and in which cooking is almost exclusively done either by electricity or gas. Nevertheless, owing to the increasing population, there is still a huge demand for coal for domestic purposes, and for this trade there is fierce competition among roughly a score of suppliers, or agents—among them about a dozen foreign individuals or organizations. But, with few exceptions, the foreigners—although their advertisements make no hint of the situation—are merely agents for Chinese suppliers, they turning over the orders they receive to the Chinese owners, who maintain huge coal yards at convenient shipping points along Soochow creek or the Whangpoo. The only remuneration which these so-called foreign coal dealers get is the commission they receive on orders turned in and the commission on the bills which they collect from the customers on behalf of the Chinese companies who actually handle the coal.

PROPOSED CANAL ACROSS NICARAGUA NOT AT ALL A NEW IDEA

RECENT messages from the United States indicate that a strong movement is on foot to build a canal in the not distant future across Nicaragua. One of the reasons given by the sponsors of the movement is that it will not be many years before the Panama Canal will not be able to handle the traffic, at least expeditiously. It is an open secret that the American Fleet during the recent trips, first from the Pacific to the Atlantic and later from the Atlantic to the Pacific, was not able to attain the rate of speed which was counted upon. The vulnerability of the Panama Canal is also stressed, owing to the comparative ease with which the locks could be destroyed or damaged. The Nicaragua Canal would be a sea-level canal, not subject to interruption through the wrecking of locks, as there would probably not be any. A fact not generally appreciated is that because of a peculiar twist of the land formation of the Isthmus at this point the Pacific end of the Panama Canal is east of the Atlantic end.

It is interesting to recall that the question of the digging of a canal somewhere through the narrow bit of land that lies between North and South America is a rather ancient problem. Christopher Columbus on his last American voyage spent most of his time trying to find out whether by any chance there was a *natural* waterway connecting the two oceans in this neighborhood. The arguments *pro* and *con* as between a canal

across Panama or through Nicaragua, where the St. John's river and Lake Nicaragua would form part of the waterway, date back to 1540, when Bautisti Antonelli reported to the Spanish Throne in favor of the Nicaraguan route. The first actual move to dig a canal across the Panama Isthmus was in 1695, when William Patterson, the founder of the Bank of England, sent over 1200 men in five ships. The Spanish immediately sent over a fleet and drove the Englishmen away within a few weeks after they they had started operations. Various other unsuccessful Canal attempts were made in the intervening centuries. The idea of a canal across Central America (the old name of the district) by the United States was first suggested in 1825 by the then Minister from said country. DeWitt Clinton, who pushed through the Erie Canal project across New York State, was a member of an America.. corporation formed at that time to dig a canal across Nicaragua, but the project failed owing to inability to obtain the necessary capital. Following several other American investigations, John L. Stevens, an American engineer, about ten years later went to Central America, ostensibly to visit the ruined cities there, but in reality to report to the President of the United States on the subject of an inter-oceanic canal. Since that time there have been dozens of projects and several unsuccessful attempts, including that of the Frenchman DeLesseps, to dig a canal—in all of which the promoters lost money. President Roosevelt in a recent statement said that his family had sufficient of the securities of the old Nicaragua Canal Company to paper a fairsized room. Finally the building of the Panama Canal was sucessfully undertaken by U.S. Army Engineers. The Panama Canal was opened to traffic on August 15, 1914—about six weeks before the outbreak of the European War.

The probable route of the proposed Nicaragua Canal is shown in the above map by a dotted line along the San Juan river and the southern shore of Lake Nicaragua.

One thing that stood out prominently throughout the entire Panama and Nicaragua Canal history was that the United States made it clear from the very beginning that any canal across that part of the world would have to be under American control.

President Hayes, in transmitting various documents relating to the subject, expressed the sentiment of the country in a message to Congress when he said:

> 1.—The policy of this country is a canal under American control. If existing treaties or the rights of sovereignty or property of other nations stand in the way of this policy, negotiations should be entered into to establish the America policy consistently with the rights of the nations to be affected by it.
>
> 2.—The capital invested in the enterprise must look for protection to one or more of the great powers of the world. No European power can be allowed to intervene for such protection. The United States "must exercise such control as will enable this country to protect its national interests and maintain the rights of those whose private capital is embarked in the work."
>
> 3.—Such a canal would virtually be "a part of the coast line of the United States" and its relations to this country "are matters of paramount concern to the people of this United States. No other great power would, under similar circumstances fail to assert a rightful control over a work so closely and vitally affecting its interest and welfare."

President Garfield, in his inaugural address, alluding to the DeLesseps enterprise, said: "We shall urge no narrow policy, nor seek peculiar or exclusive privileges in any commercial route; but, in the language of my predecessor, I believe it to be 'the supervision and authority over any interoceanic canal across the isthmus that connects North and South America as will protect our national interests'."

This matter of an additional canal becomes important because of the announcement simultaneously with the denunciation of the Washington Naval Treaty by Japan, Dec. 29, that naval maneuvers on an unprecedented scale would be engaged in by the American Navy next Summer from May 3 to June 10.

Infant Daughter of Murdered Missionaries Sent to Tsinanfu

Helen Stam, 3-months-old daughter of Reverend and Mrs. John C. Stam, American missionaries who were murdered near Miaochiao in southern Anhwei on December 7, arrived safely in Tsinanfu Dec. 29. Her grand-parents, Dr. and Mrs. C. E. Scott, will take charge of her. The two Chinese coffins bearing the bodies of the child's murdered parents were brought to Wuhu Dec. 29 in a military truck under escort. Under instructions from Willys R. Peck, American consul-general in Nanking, the bodies were taken to the General Hospital where an inquest was conducted. Kwangson Young, commissioner of foreign affairs in Central China, and Dr. Robert Brown, superintendent of the hospital, and other members of the China Inland Mission were present. The bodies were identified, and the beheading of the two missionaries by Communists was confirmed. The corpses were well perserved, having been prepared by the Chinese missionary, Dr. K. C. Lo, who was the first to make the discovery of the death of the couple following the rout of the Communist bandits by the government troops.

U. S. Foreign Trade Council Sponsors Missions to China and Japan

The U. S. Foreign Trade Council is sponsoring eonomic missions to both China and Japan, and possibly the Philippine Islands. The two missions to China and Japan are to leave New York in March. The Council has invited executives of 100 corporations to take part in the trip to increase their knowledge of economic conditions in the Orient and secure data which would be useful in possible negotiation of reciprocal trade agreements.

Japanese Attempt to "Dethrone" Maze As I. G. of Customs---U.S. Holds Trump Card!

On February 13, 1898, in reply to a letter from Sir Claude Macdonald, the British Minister to China, the Chinese Foreign Office (then Tsungli Yamen) gave assurance that the Inspector General of the Maritime Customs should be a British subject so long as British trade predominates in China—Extract from the "China Year Book."

CHINA'S TRADE WITH FOREIGN COUNTRIES

Extracts from Chinese Maritime Customs Returns of Foreign Trade (Covering Period from Jan.-Nov., 1934.)

Country	Imports	Exports	Total
U.S.A.	$251,689,000	$86,723,000	$338,412,000
Japan	116,192,000	74,375,000	190,567,000
Great Britain	114,674,000	46,851,000	161,525,000
Hongkong	27,534,000	92,082,000	119,616,000

THE return of Sir Frederick Maze, Inspector General of Chinese Maritime Customs, to Shanghai, after an extended sojourn in England, comes just at the time when the Japanese Government is doing its very best to make an issue of the composition of the foreign staff of the Customs service. For the moment a controversy centers around Hirokichi Kishimoto, chief of the General Affairs section of the Nanking Government's Customs Commissioners' office. The Japanese point of view in this connection was thus succinctly summarized by the *Tokyo Kokumin*, which said:

> **The Tokyo Foreign Office attaches much importance to the reported shift of Mr. Kishimoto to the Tientsin Customs Office. Although no official report has been received as yet, the Foreign Office says that if it is true it will have an important bearing on the future of Japan's China policy and Japan will have to protest against the shift; Sir Frederick Maze assumed his present post on condition that he work in the post so long as British trade with China occupy first place, but the increase of Japanese exports make it inevitable that Sir Frederick be dethroned. As a temporising measure Mr. Kishimoto has been shifted to Tientsin.**

The Japanese are also making use of the case of another Customs official, R. Watanabe, service chief accountant of the Shanghai Customs, to embarrass the British in their hold on the Customs service. In this case also the Ministry of Finance had decided that a transfer of the Japanese concerned should be made to Tientsin. Mr. Watanabe at last reports was remaining in Japan pending a decision as to his future.

The readers' attention is particularly directed to the figures that stand at the head of this column. They unfold their obvious moral. The Japanese are perpetually referring to the circumstance that Japan's trade has passed Britain's in China. And so it has, if Hongkong is excluded—and, so it should be excluded for purposes of calculation, because the trade that passes through Hongkong is hardly to be classed as "British" trade—as Hongkong, although a British possession, merely serves as a transhipping point. In making up the statistics of trade with China, the American government generally includes the figures of Hongkong—where, so far as statistics are concerned, they belong. But the important point which the above-mentioned figures bring out is that the trade of the United States stands way above either Japan or Great Britain, with Hongkong included. Indeed, so far as imports into China are concerned, the United States supplies practically as much as Japan, Great Britain and Hongkong, all combined.

The question of who will be the Inspector General of Customs in China's Maritime Customs, or what foreigner of any nationality, either Japanese or Westerner, will hold this or that prominent position in the service, will, in the not distant future, doubtless become a matter of minor consequence, as China will undoubtedly from year to year more and more assert her independence in taking complete control of her customs, without making use of any foreign officers whatever. But for the time being—and if the Japanese continue to make an issue of this matter that because they have surpassed the British in the trade of China they are entitled to name the Inspector General— it is obvious that the logical way to forestall them is for the American Government to make use of the lever that it has in the fact that its trade surpasses by a handsome margin that of both Britain and Japan, to play its ace, and demand that an American be appointed Inspector General of Customs. This suggestion is made, with full appreciation of the excellent services which Sir Frederick Maze has contributed to the Chinese Maritime Customs, and is contingent entirely upon the possibility that the Japanese may intensify their campaign to try to have him ousted from his position by bringing pressure upon the Chinese Government.

Japan to Reorientate China Policy

The following significant dispatch was sent by its Shanghai correspondent to the Tokyo Nichi Nichi Dec. 14.

Yakichiro Suma, Japanese Consul-General at Nanking, has decided to leave Shanghai on December 15 for Japan aboard the N.Y.K. liner *Tatsuta Maru*. Although his mission is to submit to the Foreign Office a full report on Japan's relations with China during the last year, it appears that he has also an extremely important mission regarding Japan's re-orientation of her China policy.

After the Shanghai incident China set up the Wang Ching-wei regime to feign friendship for Japan and by this means concluded the truce agreement. At Nanking China consented to negotiate with Japan only the technical issues out of the many Sino-Japanese outstanding issues. While the Foreign Office authorities had hope in dealing with the Wang Ching-wei regime for readjustment of Sino-Japanese relations, China during the last a year and a little more has failed to touch the fundamental elements at all. It has been endorsed by all facts that China has had camouflaged friendship for Japan by means of the Wang Ching-wei regime.

More recently regarding the question of the reinstatement of Chief Secretary Kishimoto of Chinese Customs, which Japan

negotiated as a barometer of readjustment of Sino-Japanese relations, Wang Ching-Wei himself pledged verbally that Mr. Kishimoto would be reinstated, but suddenly Mr. Kishimoto was shifted to the Tientsin Customs House and was given a post of lesser importance, thus Japan's China trade position being ignored.

The question has shown that China has taken advantage of Mr. Wang's domestic position which had become unfavorable and is returning to her former strong policy toward Japan. It is indicated that Mr. Wang's Japanese policy has come to a final deadlock.

In view of the fact that Japan's past over-confidence in the Wang Ching-wei regime has ended in failure, Japan now finds herself in a position where she has to reconsider her position toward the Wang Ching-wei regime. At the same time it appears that Japan has found it useless to deal with China through petty diplomacy for the coming 1935-6 international emergency and has found it necessary to clarify her more fundamental attitude toward China.

It is expected that upon Mr. Suma's return to Tokyo the Foreign Office authorities will engage in important discussion on this point.

The fundamental points in Japan's China diplomacy which the Japanese Government is now considering are regarded as follows:

1. To give up petty diplomacy and adopt more fundamental diplomacy to ascertain Chiny's true intentions.
2. For this purpose Japan should not deal with the camouflaged regime of the Nanking Government like that of Wang Ching-wei but deal directly wito the man like General Chiang Kai-shek who has actual influence to bear the whole responsibility for the country.

New Reorganization System in Manchuria Foreshadows Eventual Annexation

THE reorganization of the system of administration in Manchuria came into effect December 26, just after the arrival of General Minami, the new supreme Japanese representative, whose various positions are listed elsewhere. As the *Peiping World Daily News* says, the significance of the reorganization plan can be easily envisaged when it is borne in mind that General Minami was Minister of War when the Mukden Incident of September 18, 1931, broke out, and that he was one of the advocates of the unification of various Japanese administrations in Manchuria under one control. In other words, the plan represents the first step towards the eventual annexation of Manchuria by Japan, despite frequent Japanese pronouncements to the contrary.

The advantages of the new system, from the Japanese point of view, are obvious. Although under the former system, the Japanese Ambassador to Manchukuo already enjoyed immense power, as he was at the same time Commander-in-Chief of the Kwantung Army and Governor of Kwantung Leased Territory, nevertheless that system suffered from one drawback in that the supreme Japanese representative had to take orders from three different ministers in Tokyo, namely, the Foreign Office, the Ministry of War and the Colonial Office. As this was a situation which was obviously not conducive to the smooth execution of the various ambitious policies which the Japanese War Office had in view in Manchuria, it therefore launched an agitation for the reorganization of the Japanese administration in Manchuria. General Hayashi, the Minister of War in the Saito Cabinet, agreed to remain in the Okada Cabinet on the condition that the reorganization plan should be adopted by the Government.

The *World Daily News* succiently summed up the situation as follows:

> "Admiral Okada approved of it despite the opposition of the Ministries of Foreign Affairs and Colonies and the protest of Kwantung officials. With their hold on Manchurian affairs thus consolidated Japanese jingoists need not fear the opposition of political parties and financial interests.
>
> "If we study the reorganization plan carefully it will become clear at once that General Minami, the new Japanese Ambassador to Manchuria, will enjoy the same power as the Governor-General of Korea. As a matter of fact, he is Governor-General of Manchuria, if not in name. Before leaving Tokyo for Manchuria General Minami said that he would strive to promote the healthy development of Manchukuo so that Japan and Manchukuo would become one economic unit. This is another proof that in the eyes of Japanese militarists Manchukuo has already become a part of the Japanese Empire. It may be confidently predicted that the powers of Pu Yi will be further reduced and that eventually he will occupy the same position as the former ruling house of Korea. Indeed, the time is not far off when Manchukuo will become a mere historical expression."

The diagram printed herewith shows the inter-relations of the various Government departments. General Jiro Minami, who is the successor to General Hishikari, holds the three following positions: Ambassador to Manchukuo, Commander-in-Chief of the Kwantung Army, and Governor General of Kwantung Leased Territory, which carries with it control of the South Manchuria Railway. One of his objects, according to a Japanese pronouncement, will be to "foster the spiritual relations between Japan and Manchukuo." Coming down to more specific or mundane matters, a recent message to the *Yomiuri Shimbun* from Changchun stated that Japan and Manchukuo are in important and inseparable relations and that Manchukuo desires Japan's assistance in regard to improvement of her economic conditions and developmeent of her resources, while at the same time Japan recognizes that extension of assistance would perpetuate the friendly relations between the two countries in view of the economic relations between the two countries.

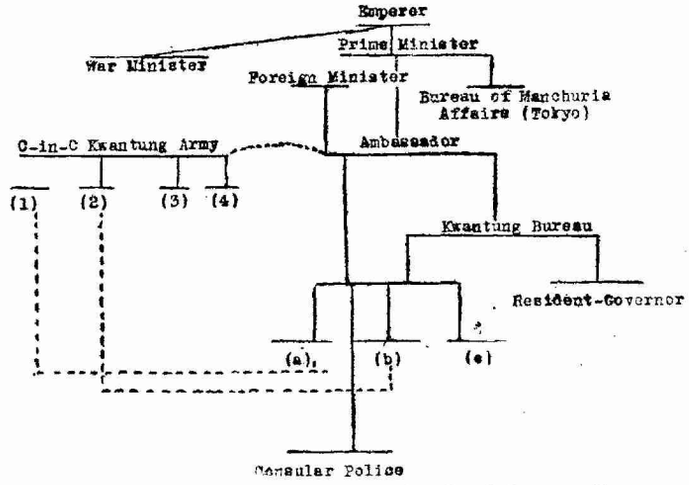
It is indicated that the two countries had decided on the general policy of concluding a new agreement with a view to promoting economic cooperation between the two countries.

A synopsis of the new Japan-Manchukuo agreement was given by the *Yomiuri* as follows:—

> Art. I.—The Japanese Government and Manchukuo Government agree to establish the Japan-Manchukuo Economic Commission in Hsinking.
>
> Art. II.—The Japanese Government and Manchukuo Government pledge to submit matters pertaining to the economic relations between the two countries in Manchukuo, including the "South Manchuria Railway Zones" and Kwantung Leased Territory, to the Japan-Manchukuo Economic Commission for deliberation.
>
> Art. III.—The Japan-Manchukuo Economic Commission shall be composed of the following members:

A certain number of persons appointed by the Japanese Government and a certain number of persons appointed by the Manchukuo Government. The post of the chairman of the commission shall be filled by the chief of the Japanese committees.

Art. IV.—Matters to be discussed by the Japan-Manchukuo Economic Commission shall be decided by a majority vote of the members of the commission. In case of equal votes the chairman shall decide the issue.



The above is a diagrammatic sketch of the new Japanese administrative system in Manchuria which came into effect Dec. 26. It is to be noted that Gen. Senjuro Hayashi, Minister of War, has been appointed concurrently with his present Post Director of the Bureau of Manchurian Affairs, and that the Commander-in-Chief of the Kwantung Army, General Jiro Minami, and the Japanese Ambassador, are one person.

Art. V.—The Japanese Government and Manchukuo Government pledge to take as soon as circumstances permit such steps as are necessary for enforcement of matters voted and adopted by the Japan-Manchukuo Economic Commission.

The members of the commission follow: Japan—Commander-in-Chief of the Kwantung Army (Chairman), chief of Staff of the same army, Embassy Counsellor, President of the South Manchuria Railway, President of the Kwantung Bureau and others including those connected with chambers of commerce and industry in the principal cities of Manchuria, representing private circles.

Manchukuo—Councillor (Japanese), Premier, Minister of Industry, Director of the General Affairs Bureau, influential men from chambers of commerce and industry, etc.

The number of committees from both countries will be the same.

⁂

It may be mentioned in this connection, as showing the importance which the Japanese attach to the future of Manuchuria, that in compiling the recent budget in Japan great efforts were made to effect retrenchment. But under the heading, "Manchurian Affair Expenditure," was this laconic comment by Mr. Takahashi, the Finance Minister: "This has been fixed as economically as possible, but in regard to the air arm and other service branches in Manchuria, the estimates have been increased."

General Minami Arrives in Changchun

Gen. Jiro Minami, who replaces Gen. Taka Hishikari as Japanese Ambassador to Manchukuo, commander-in-chief of the Japanese Kwantung Army and Governor-General of the Kwantung Leased Territory, arrived in Changchun from Mukden Dec. 25. He was met at the station by Gen. Hishikari, high Japanese military and diplomatic officials and Manchukuo functionaries who extended to him an elaborate welcome.

New Ambassador Warns Japanese to Respect Manchukuo Independence

General Jiro Minami, who succeeded General Taka Hishikari as Japanese ambassador to Manchukuo, in a recent press interview stated that the most important thing for the Japanese to bear in mind is that they should have the strictest respect for the independence of the Manchukuo government. The new ambassador warned the Japanese against having any feeling of superiority over the inhabitants of Manchuria, and he urged them to strive for a greater consolidation with the Manchurian people. Gen. Minami added that this was Japan's fundamental policy and it would not change even though the Ministries in Tokyo might change.

"Manchukuo will not become another Chosen," General Minami, declared. The rumor-mongers' efforts to show that Manchukuo is not an independent state are absurd in the face of the continued independence of the new state, General Minami added.

⁂

"Planting" Japanese Koreans in Manchuria

(From the Japan Chronicle, Dec 25)

After all that has been said about Japanese being unable to compete against Chinese in agriculture, a big company is to be formed (if the Diet consents) to which the Japanese Government will contribute twenty million yen. A like sum will be contributed by the Oriental Development Co. and the Toa Kangyo, and ten million yen worth of land by the Manchukuo Government. The idea is to plant out 250,000 Japanese in Manchukuo during the twenty-five years. It is certainly a slow process, and will do nothing perceptible by way of relieving the pressure of population. Nor is it specified where these Japanese are to come from. The most successful emigration into Manchuria by Japanese so far has been that of Japanese subject of Korean birth. The large amount of capital suggested, however, makes it pretty certain that the emigrants are to come from Japan. Problems will increase as time goes on, but it will be an interesting experiment.

⁂

Minami Wants Matsuoka to Take Over Presidency of S.M.R.

Rengo reports that Yosuke Matsuoka, the Japanese delegate to the League of Nations, who walked out of the Geneva body in 1933, is being sought by General Minami, the new Japanese ambassador to Manchukuo and commander-in-chief of the Kwantung Army, as head of the South Manchuria Railway Company. Count Hirotaro Hayashi is now president of the company. Mr. Matsuoka is, however, reported to have declined General Minami's offer to take the post, on the ground that he is too busy in Japan.

Dominican Republic Congratulates Manchukuo

An autograph letter from General Rafael Leonidas Trujillo Molina, President of the Dominican Republic, notifying Emperor Kangte of his re-election for the second term in office and urging the strengthening of the existing friendly ties between the two countries, was received at Changchun Dec. 27. Official circles in the Manchurian capital interpret the letter as a bid for increased trade between the Central American Republic and Manchuria, and a fore-runner of diplomatic relations. Santo Domingo has a population of about 1,200,000 and exports, coffee, cocoa, sugar and tobacco. President Molina was elected to the post in 1930 and was recently re-elected for another term of four years.

New Railway Opened Between Keshan and Sakhalian

Construction of the railway line from Keshan to Sakhalian on the banks of the Amur River was recently completed. The line is of the utmost importance, connecting the frontier of Soviet Russia with a direct railway line from the Korean coast and bringing Harbin within a day's journey of the Amur, right opposite Blagovestchensk, from which point quick communication is obtainable with the whole of Siberia. The line is of great strategic volue. To mark the occasion of the opening of the new line, the Manchukuo Minister of Communications, Ting Chien-hsui, travelled by express train from Changchun to Harbin, and in Harbin joined the special train conveying some 290 Japanese and Manchu officials to Sakhalian, for the purpose of celebrating two events at the same time, namely, the opening of the Heiho province, and the opening of the important new link in railway communication.

The new line is commercially important as it runs through a very rich and fertile country, which has up to the present had to depend on water communication only to transport its goods to the centers of Manchuria, Harbin, and to the ocean ports for export.

Strategically the new line is of the utmost importance to Japan, as in case of war with Soviet Russia it would enable the former country to transport military supplies and its army very quickly to the Russian frontier, striking at a vital point, as Blagoveshensk is an important trading and military centre and has a railway which runs direct into the center of Siberia.

Bandits Attack Freight Train Near Imienpo

One Manchukuo man and a Russian are reported to be missing as a result of an attack on a freight train by a group of bandits at a point near Imienpo, on the eastern section of the North Manchuria Railway, early in the morning of Dec. 22. According to the reports, the outlaws had tampered with the railway at the point, and a result, the locomotive and four cars of the train were derailed and overturned, and most of the freight was then looted.

Manchukuo Abolishes Inspection Tax

The abolition of the so-called inspection tax was announced at Changchun Dec. 20 by the Ministry of Finance. The measure became effective January 1. In addition to relieving the taxpayers of a $500,000 burden, the abolition of the tax is expected to facilitate commerce. The collection of inspection fees was a very old measure, the tax being placed on all duty-free grains, lumber and other goods passing through points which had tax bureans.

Manchukuo Customs Houses to Be Set Up in Korea

The conclusion of an agreement between Manchukuo and Japan for the establishment of Manchurian customs houses in three North Korean ports was announced in Changchun Jan. 2. The agreement calls for the opening of stations in Seishin, Yuki and Rashin, to clear Manchukuo exports abroad. It is understood that under the provisions of the agreement a through train service will be established between the three Korean ports and Hsinking and Mutanchiang via Tumen in ordea to remove the inconvenience of transshipping goods on the Manchukuo-Korean border.

Soviets Charge Foreign Influence in Kirov Assassination---Nikolaev Executed

A foreign consul was in close touch with those responsible for the recent murder of Sergei Kirov, according to the indictment laid in Moscow Dec. 26 against Nikolaiev, murderer of Kirov, and thirteen other Communists accused of the crime. The nationality of the foreign consul concerned was not stated. The indictment declared that former members of the Zinovieff group, which opposed M. Stalin's faction, formed a counter-revolutionary terrorist group in Leningrad with the object of changing the policy of the Soviets to the "Zinovieff-Trotsky" platform by terrorist acts against Soviet leaders. The group, it added, counted on armed assistance from a certain foreign state. Their aims and methods, the indictment proceeded, coincided with those of Russian White Guard organizations abroad which were responsible for the previous murders of prominent Soviet officials.

Tass stated that Nikolaiev took measures to change over to an illegal status, and, with that object, he prepared official blanks and stamps of the various State organs. In order to conceal the traces of his crime and his associates, and also to conceal the real motives of the murder of Kirov, Nikolaiev prepared a number of documents (diary, applications, etc.) in which he tried to draw the picture of his crime, as of a personal act of despair and dissatisfaction, and as a protest "against the unfair attitude of individual statesmen towards the living individual." Nikolaiev himself admitted the falsity and attificiality of such a version, explaining that he created it in accordance with a preliminary agreement with members of the terrorist group, who decided to represent the murder of Kirov as an individual act and in this way to conceal the actual motives of the crime.

Another trial will probably shortly be held in Moscow involving members of the secret organization discovered in the Soviet capital. The consul of a certain foreign power whose participation in the opposition plot was mysteriously alleged will also be concerned in the case, it is predicted.

Fourteen Accused Found Guilty—Executed Immediately After Trial

The final act in the Kirov tragedy was enacted Moscow, Dec. 29, when Nikolaiev, the murderer, and thirteen other Communists were executed. As soon as the court rose the men were led out before a firing squad and shot. Subsequently it was announced that the property of the men would be confiscated by the state. The trial of Gregori Zinoviev and Lev Borisovich Kamenev, both of whom helped Lenin to found the Soviet Union, was scheduled to begin this week before a special tribunal, which will commence their "administrative exile."

Leon Trotsky Warned by French Government

The French Government has recently given Leon Trotsky, who is living in exile in Central France, several warnings that he may not engage in any political activity, and that in case he refuses to comply with this request, he will immediately be deported.

Former Vyatka Province Becomes New Soviet Republic

A new republic has been founded within the Union of Socialist Soviet Republics by virtue of a decision of the Central Executive Committee. The new republic is situated in the former Vyatka province, geographically including part of the Ural foothills, and forms the watershed between the rivers Vyatka and Kama. The capital of the new state is Izhevsk, which is the seat of the principal arms factories in Soviet Russia.

Soviets Expand Collectives in the Far East

As a result of successful completion of the agricultural year, which a *Tass* message says again demonstrated the advantages of the collective farming system, an intensified influx of peasants into collective farms is marked throughout the Soviet Far East. Five collective farms have been organized in the Alexandrovsk district (Amur Region). Over 500 individual farmers have recently joined collective farms in the Iman district. A new collective farm organized in the Kalinin district was immediately joined by over 100 individual farmers, etc.

Honors Awarded to Builders of Kuznetsk Plant

Congratulatary articles were printed in the Soviet press Dec. 21 on the occasion of the builders and shock workers of the first Kuznetsk Stalin Metallurgical Plant receiving the highest distinction—the "Order of Lenin" and the "Order of Red Banner of Labor."

Stalin Addresses Soviet Metal Workers

In connection with the successful progress of fulfilment of the annual program of output in the iron and steel industry, on December 26, a delegation of leading workers of the industry, including directors of plants, engineers, shock-workers and Party workers, visited Stalin, Molotov, and Orjonikidze.

Replying to the greetings, Stalin dwelt in his speech on further tasks of the iron and steel industry and on the most important problems of Socialist construction. In the course of his remarks, Stalin said :—"We must care about each worker who is capable, who undstands; we must care about all workers, bring them up with care, raise people's qualifications, correctly distribute them, organize their productive work, organize their wages so as to strengthen the decisive links in the chain of production; we must promote people to higher qualifications. This is what we need in order to create a numerous army of industrial technical cadres."

Hijikata, Ousted Japanese Nobleman, Is Happy in Moscow

Hisayoshi Hijikata, Japan's premier "exile," is happy in Moscow. This was indicated in a lengthy interview obtained recently by a staff correspondent of the *Asahi* newspapers who travelled from Vladivostok to the Soviet capital to secure the first direct statements given to a Japanese by the former nobleman and well-known radical writer, in 19 months.

Mr. Hijikata was deprived of his title of Count on September 17 because of an address expressing Communist sentiments, which he delivered this summer to an international authors' meeting in Moscow and because of the support he is alleged to have given the radical movement in Japan before he went to Russia. Both Mr. and Mrs. Hijikata, who is also of noble extraction, were imprisoned by the Tokyo police in September, 1932, in a round-up of Communist sympathizers. The *Asahi's* correspondent was told by Mr. Hijikata that his desertion of his fatherland was brought about partially by the attitude of his relatives who, at first, tried every means in their power to induce him to "recant" and then, when everything else failed, urged him to travel abroad, telling him that the dampness of Japan was not quite suitable to one of his constitution.

In short, he is quoted as having stated that he was regarded as a skeleton in the family closet, and it was the wish of his relatives to have him anywhere but in Japan.

Mr. and Mrs. Hijikata appeared cheerful to the correspondent. They both have steadfastly refused to meet any Japanese and declined to see Shigeru Yoshida, Japanese Ambassador-at-Large, who is their relative, when he passed through Moscow in November. Their elder son Keita is in a Soviet boarding school, while the younger son will begin going to school next year.

Tokyo Police Arrest Two Reds Who Had Gone to Russia Surreptitiously

The Tokyo police Jan. 2 announced the arrest of two alleged Communist organizers who after leaving the country surreptitiously to study in Russia attempted to re-enter Japan to engage in "Red" activities. Hiroshi Iizuka, 24 years age, was seized by the Nagasaki Water Police as he was about to land from the N.Y.K. express liner *Shanghai Maru* when he arrived from Shanghai Dec. 24. Iizuka was taken to police headquarters for questioning as a larceny suspect as he was travelling third class and was found to have more than Yen 400. He was indentified as a Communist wanted by the Tokyo Metropolitan police Board through fingerprints, and was brought to Tokyo under police escort December 2.

Hachiro Kohtatsu, 29 of age, was recently seized in Kanda, Tokyo's Latin Quarter, where he was in hiding since his return from Moscow July 25, on orders, police state, of the Comintern. Both Iizuka and Kohtatsu are graduates of the Oriental Toilers Communist University.

71-207

How the Soviets Hope to Modernize the Howling Siberian Wilderness

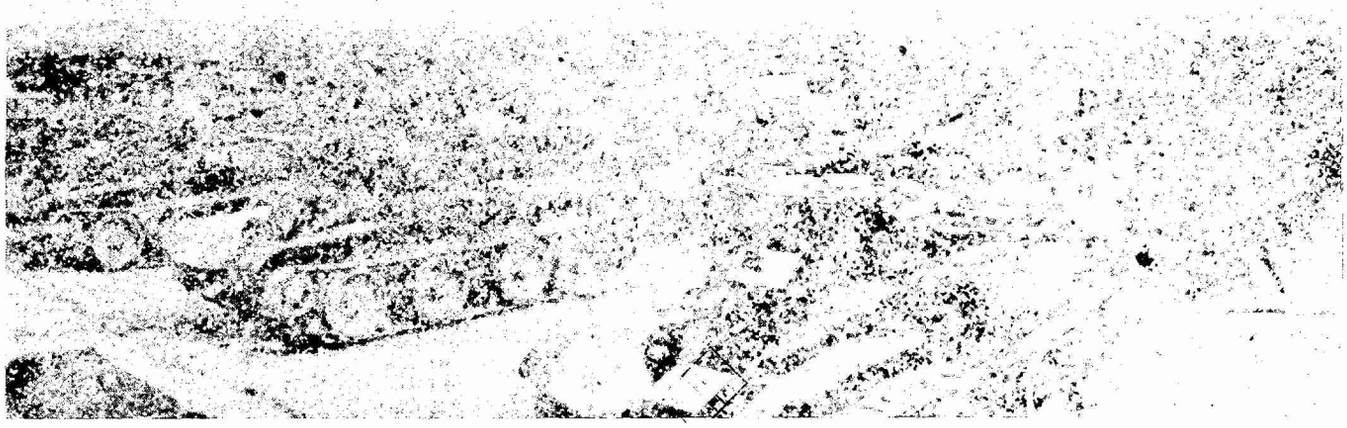
(From the Review's Special Correspondent)

MOSCOW.—Soviet plans for transforming the howling Siberian wilderness into a modernized territory continue to unfold.

While considerable development in the double-tracking of the Trans-Siberian railway and the reconstruction of the cities is actually underway—the Soviet leaders are fond of declaring their ability under what they term "socialist construction methods" to perform in four or five years a job which occupied the Americans and Canadians for three-quarters of a century in the development of their western areas.

For example, I. G. Alexandrov, described as an academician, recently returned to Moscow with a group of scientists, including geologists and power specialists, from an inspection of the district about Lake Baikal. They have recommended the construction of a whole series of power plants and other industrial establishments along the Angara river, which flows out of the southern end of Lake Baikal and after tumbling down from the high plateau in central Siberia, ultimately joins the Yenisei and flows into the Arctic ocean. Prof. Alexandrov's commission, in its report just published here, claims that the water power available here far exceeds that of the Dnieper hydroelectrical development which recently was completed under the direction of the American engineer Cooper who built the Keokuk dam across the Mississippi. They claim that the development of this project will make possible the industrialization in short order of a territory which today is covered with taiga, or dense forests of pine, spruce and birch, the haunt of savage lynx and panther wolves, bears, mountain goats, spotted deer and innumerable fur bearing animals. It's a rugged district of short mountain ranges, deep swift rivers and, according to the reports abounds in gold, copper, tungsten, molybdenum and extensive deposits of both hard and soft coal.

today all of the steel rails in the railway construction, bridge iron and bars for concrete reinforcing must be shipped for thousands of miles over the Trans-Siberian line from the recently opened mills in the Kuznetsk coal and iron basin located on the headwaters of the Ob and Yenisei rivers, which have their sources in the Altai mountains—and form a considerable portion of the boundary between central Russia, Outern-Mongolia and the Chinese province of Sinkiang according to their statements. Although everything is state-controlled and operated and it doesn't make any difference in their economy whether the railway pays or not, they admit that the location of iron and coal in widely separated areas provides a complex problem. This they hope to solve through the development of electrical energy from the mountain streams of the Baikal plateau—but which also contains a further complexity in that these streams are frozen throughout the long cold winters.



The above view shows part of a group of tanks used by the Red Army of Russia in recent maneuvers. The development of Siberia referred to in the accompanying article is largely motivated by military objectives. The building of tanks is merely one important phase of Soviet military preparation. The heavy key industries are mostly located in the eastern part of European Russia and the Ural region, so as to be far removed from any possibility of attack by an invading enemy. These formed a prominent feature of the first Five-Year plan.

Profess Contempt for "Noble Metals"

The present day Russians profess a profound contempt for the socalled "noble metals," gold, platinum and silver, but admit that as the Soviet Union is surrounded by capitalism, "we must also pay attention to these things." They declare that later, in a pure communist society, these precious minerals will forfeit their importance as "sacred idols and will serve the more prosaic needs of mankind." In the meantime, however, they are digging the gold out of these hills by all possible primitive and modern methods and are using it to pay for prosaic machinery in world markets and for keeping up the exchange value of their "gold" rouble, which is now rated at about 90-cents in American money. Despite their contempt for gold, the occasional finding of a nugget always gets big space in the official Moscow newspapers.

Prof. Alexandrov claimed in his report that the development of the power resources of the Angara river will facilitate the exploitation of the iron deposits in the Tungus basin to the north which are said to be extensive. Coal apparently exists in abundance in the Irkutsk territory, but practically all Russian engineers admit the scarcity of iron throughout the Soviet Far East, excepting in the Far North, but even here they admit the lack of adequate scientific data regarding the extent of deposits. As the situation stands

Huge Hydro-Electric Resources

According to another member of the Soviet brain-trust, Prof. I. M. Gubkin of the Moscow Academy of Science, the Asiatic part of the U.S.S.R. the Angara river will produce 700,000 horse-power at the Shaman rapids near Irkutsk and that the Yenisei and Irtysh will produce 600,000 horse-power more and that the entire hydro-electrical resources of these rivers will produce 41,500,000 horse-power.

The report of V. V. Kuibyshev, president of the state planning commission, said that Asiatic Russia (that is, the Ural region, western and eastern Siberia and the extreme Far Eastern district including the Vladivostok-Khabarovsk area) are receiving 37.5 percent of all capital investment in national economy and 37.7 percent of all capital investment in heavy industry; 49% of all capital investment in the coal mining industry; 42.1% in ferrous-metallurgy; 71.6 in non-ferrous metallurgy; 28.3% in machine-building and 31.5% in the chemical industry. The major portion of these investments, one imagines, are going into the rich Ural district, which constitutes the Pittsburgh region of the country. Here they have built the Magnitogorsk, Taguil and Baikal metallurgical works, the Ural machine building works, Lower Taguil car-building works, Chelyabinsk tractor plant, Central Ural copper smelting plant, Ufaley Nickel combinat, and various chemical plants.

Kuibyshev's report admits, however, that the "sore-spot" in the industrialization program, which has now become all too apparent, is the inadequacy of present railway communication. This they are trying to rectify through the double-tracking of the Trans-Siberian and construction of other lines as well as branches and a scheme for the electrification of some 700 miles of railways in the Ural region. The going into production of numerous modern manufacturing enterprises has thus exposed numerous weaknesses which were not apparent when the country was agricultural and pastoral. It also has exposed numerous weaknesses of the Soviet system, evidenced in dictator Stalin's declaration at the last party congress that the communist system does not envisage "equality," or to quote his words, "every Leninist knows, if he is a real Leninist, that equality in the sphere of requirements and personal life is a

piece of reactionary petty-bourgeoise stupidity worthy of a primitive sect of ascetics, but not of socialist society organized on Marxian lines, because we cannot demand that all people should have the same requirements and tastes, that all people shall live their individual lives in the same way." In other words, to make these new gigantic factories operate efficiently it has been necessary to adopt the piecework system of payment for laborers and in none of these new plants is so-called "equalitarian socialism" practiced from the standpoint of wage payments. Also the adoption of the passport and registration system for all workers has made it extremely difficult for those dissatisfied at one place to move to another without the consent of the authorities.

"Key" Industries Mostly Being Developed in Ural Region

While ferro-metallurgical plants have been established in the extreme Far East at Vladivostok, on the Bureya river which flows into the Amur to the west of Khabarovsk and a giant iron and shipbuilding works is being developed at a new center known as Komsomolsyk on the lower Amur, all essential or "key" inudstries have been, or are being developed in the Ural and so-called western Siberian districts which are inaccessible to enemies, European or Asiatic. That most of these plants are of a potential military character is obvious; that the Soviet leaders now sincerely desire peace in order to be able to complete their industrialization program appears equally obvious. The character of the new plants being established in the western Siberian area is indicated in some of the names of the outstanding factories such as the Kuznetsk locomotive works, automatic coupler works, Kuznetsk automobile works, which they claim is now turning out 100,000 three-ton trucks yearly, the mining equipment works, Kemerovo chemical and metallurgical combinat. They claim that this area must produce 9,000,000 tons of coal for export to other districts and while all this is going on in the newly-established industrial centers it has been necessary to reorganize farming in wholesale order in order to feed the mounting population which has been attracted to the new factories.

In the Buryat-Mongolian district to the east of Lake Baikal, the most important live-stock producing area in the country, also is receiving new industries in the form of a locomotive and car-repair works, sawmkills, glass-works, hydro-electrical plant and paper-mill now under construction along the Selenga river near Verkne-Udinsk. Also there is in progress here as well as in the area to the east of Chita an important gold mining development, but, as stated in the foregoing, the official reports make only brief mention of this. They do claim, however, that the present gold-mining development "under socialist methods" far exceeds anything that the British Lena Goldfields, Ltd., was able to accomplish in the old days. The property of this company, in which Herbert Hoover allegedly once had an interest, was taken over by the Soviet government and has since been a source of bitter controversy between the British and Soviet authorities.

The Lena river, which with its tributaries drains most of the extensive area to the northeast of Lake Baikal, has always been a gold producing district, exceeding, according to Soviet statements, theKlondike and other districts of Alaska, which it greatly resembles. It also contains coal and is heavily wooded. The Yakut Indians, with a population between 250,000 and 300,000 occupy most of this area; physically they appear to be first cousins of the North American Indians.

Expanding Oil Production in Northern Sakhalin

The most important industry in the extreme Far Eastern political sub-dividion of the Union, an industry which they claim to be expanding rapidly, is oil production on northern Sakhalin island. Whereas most of this production was previously sold to the Japanese for the use of the navy, the Soviet authorities are now transporting most of the output up the Amur to Khabarovsk, where extensive refineries and cracking plants are in operation. They claim that the output of 202,800 tons in 1932 will reach 800,000 tons in 1937 and that simultaneously the coal output on northern Sakalin as well as in the fields near Vladivostok is being raised from 1,892,000 tons in 1932 to 6,500,000 tons in 1937. The output of Far Eastern fisheries on the Kamchatka and Maritime provincial coasts amounted to 345,000 tons in 1932 and is being expanded in 1937 to 365,000 tons, amounting to 22.8 percent of the catch of the entire union. A sugar-beet industry in the Khabarovsk district is now said to be supplying the needs of most of this area.

It is only necessary to observe the loaded railway trains creeping along the primitively-constructed Trans-Siberian railway to realize that this heretofore wild and sparsely peopled frontier is rapidly being settled by tens of thougsands of Russians from the Ukraine and other parts of European Russia. How this so-called "mass-migration" is being engineered is an untold story, but that the Russians are on the toward Asia move and that this constitutes an important chapter in the Russian revolutionary drama or tragedy is only now beginning to be realized elsewhere in the world. The report of V. V. Kuibyshev on the so-called second-five-year plan explains it in the following brief paragraph.

"The grant of liberal privileges to the population of the region (Soviet Far East) on the initiative of Comrade Stalin will be an important factor in solving a most acute problem of the region—that of man-power."

Seven-Hour C.E.R. Parley in Tokyo Brings Little Result

Little progress in the negotiations for the sale of the Chinese Eastern Railway by Soviet Russia to Manchukuo was accomplished at a meeting in Tokyo Dec. 28 lasting for seven hours between Mr. Kozlovsky, Soviet representative, and Mr. Togo, director of the Eurasia Bureau of the Foreign Office.

The differences between the Japanese and Russian points of view on Japan's guarantee for the payment by Manchukuo of the purchase price were "considerably narrowed," according to a communique issued after the interview. No details of how this was accomplished were, however, disclosed.

In their meeting on December 21, Mr. Hirota, Japanese foreign minister, and Mr. Yureneff, U.S.S.R. ambassador, discussed two new Soviet proposals on the guarantee question. One provided for the guaranteeing by the Bank of Japan of "Manchuhuo" bonds, the other was to define in set terms the manner of payment by various Japanese banks, with an additional guarantee by the Japanese government.

These new proposals were made when Japan rejected the previous Soviet demand that the Japanese government make the necessary payments should "Manchukun" default its obligations.

The two representatives further agreed that Manchukuo should take over the railway and other property as soon as the contract is signed. Mr. Kozlovsky, the communique added, declined to give final answers, stating that he had to consult his government first.

A *Rengo* message from Tokyo, Dec. 29 stated that loans amounting to Yen 30,000,000 will be floated in Japan early next year to raise funds for Manchukuo's cash payment for the C.E.R., should the negotiations with Soviet Russia for the sale of the railroad end successfully.

"Rengo" Reports an Optimistic Outlook

Rengo reported an optimistic outlook concerning the C. E. R. negotiations, which have repeatedly embittered the relations between Japan and the U. S. S. R. Mr. Kozlovsky, Soviet delegate, and Mr. Togo, director of the Bureau of Eurasian Affairs of the Foreign Office, held another conference in Tokyo Dec. 30. The U.S.S.R., it was understood, has agreed to make extensive concessions on three major issues, namely, the Japanese guarantee for Manchukuo's payments of the instalments; the retirement allowances to be paid Soviet employees of the line and methods for a partial payment in goods. While the Soviet retreat from its former stand on these issues has brought the Japanese and Russian viewpoints much closer, a further agreement on some details is still being sought, it was indicated.

Soviets Install American Machinery in Huge Crab-Canning Plant in Vladivostok

H. G. Danielson, representating the J. O. Ross Engineering Corporation of New York, arrived in Japan recently and later proceeded to Vladivostok, where he will erect on behalf of the Soviets the largest canning factory in the Far East devoted to the crab and salmon industry. The factory will use American machinery and will be the first American-constructed industrial establishment located in Siberia. The Soviets are rushing construction of the plant with the hope beginning operations before May next year, when the present Soviet-Japanese fishery agreement expires. Japan is expected to press the Russians at that time for a revision of the contract, especially as regards the clauses concerning the exchange rate between the rouble and yen, which have long been a source of controversy between the two nations.

Tamekichi Ohta, the Japanese ambassador at Moscow, returned to Japan last month, and it is understood he is assisting in the negotiations regarding the revision of the contract. The Soviets hope through the contruction of the new plant at Vladivostok to strengthen their competitive position. The fisheries in the Far East have heretofore been monopolized by Japanese concessionaires.

Robert Haas, League Expert, Will Assist in Establishing New Trade Routes

In pursuance of the program of the League of Nations of placing the organization's technical experts at the disposal of China for reconstruction work, Joseph Avenol, Secretary-General, last week decided to send Robert Haas, French director of the Transit Section of the League Secretariat, to China for two months. Mr. Haas will collaborate with the Chinese Government in the establishment of a vast system of new trade routes throughout China.

Dr. Omodeo, Italian hydraulic expert attached to the China section of the League of Nations, and his party, who have been investigating the irrigation systems in Suiyuan, returned to Peiping end of last week. After a brief stay in Peiping, Dr. Omodeo and party will investigate the Yungtingho, later going to Shensi.

Brighter Business Prospects in America

Highly optimistic forecasts regarding the future of American business in 1935 were made by authorities in many lines of commerce and industry in New York, Dec. 26. A nation-wide business survey showed that Christmas business was from ten to 40 per cent above Christmas last year. In no section of the country were recessions reported as compared with 1933.

Bigger Dividends Paid in U.S.A.

An increase of $195,425,193 in the total dividends declared by corporations listed on the New York Stock Exchange was reported in New York Dec. 11. Total stock dividend declarations during 1934 amounted to $1,503,971,524 as compared with $1,308,546,331 during 1933.

$5,700 Million Increase in U.S. Bank Deposits

Bank deposits in the United States during the current year showed an increase of $5,700,000,000 since Jan. 1, 1934. Only 53 banks closed in 1934, this being the best record since 1920.

TELEGRAPH AND CABLE LINES IN AMERICA MAY MERGE

The *Washington Post* Dec. 29 stated that all telegraph, cable and wireless services controlled by American interests may shortly be consolidated. Legislation to this effect will probably be recommended to Congress by the Federal Communications Commission before February 1, with the approval of President Roosevelt.

U.S. Abandoning Plan to Control Crude Oil

The Roosevelt Administration is abandoning its efforts to place crude oil production under Federal control due to the industry's overwhelming opposition.

85,000 Killed in Auto Mishaps During 1934

Automobile fatalities reached a new all-time high record during 1934 in the U.S.; more than 35,000 persons were killed and 1,000,000 injured.

Lindbergh Baby Murder Trial Starts in New Jersey

The state of New Jersey Jan. 2 began the formal trial of Bruno Richard Hauptmann, accused of murdering Charles August Lindbergh, Jr., infant son of the famous aviator, sometime after the baby was kidnapped on the night of March 1, 1932.

Dominion Status, Instead of Independence, Suggested for Philippines

According to various American newspapers, the Phillippine Islands might accept, in view of the general situation in the Pacific, a Dominion status, thus avoiding the dangers entailed by a complete independence. Suggestions to this effect are said to have been made by the United States Senate's Commission now visiting in the Islands. Senor Manuel Quezon, president of the Filipino Senate, on his part is said to be in favor of such a solution and would, at any rate, ask Washington for close economic co-operation instead of ceasing all commercial relations as provided for inthe independence bill. Members of the American Senatorial mission have reportedly given an evasive answer to Senor Quezon in the matter, in view of the opposition the proposal would meet on the part of powerful commercial interests in the United States.

Only 23 P. C. of Foreign U. S. Dollar Bonds Are in Complete Default

Despite the pronounced shrinkage in the value of foreign investments, America as a whole derived very considerable benefits from its financial contact with its neighbors, says the American Council of Foreign Bondholders, Inc. It formed this opinion from an impartial analysis of the relation between U.S. investments abroad and the profits which undoubtedly accrued from American trading with the rest of the world.

The total of foreign dollar bonds outstanding in the American market on July 1 of this year was $8,674,969,000. Of this amount, less than $2,000,000,000 was in complete default, or somewhat under 23 per cent of the total outstanding, a showing which compares exceptionally favorably with similar statistics for securities of other categories.

The analysis shows that the following countries are in complete default on their dollar debt: Germany accounting for somewhat more than $1,000,000,000 leads the list. Although a part payment was made earlier this year by the German debtors, payments during the second half of 1934 were withheld because of the six months' moratorium put into effect by Dr. Schacht. Mexico is second, with $390,248,100; Chile, third, with $308,677,000; Russia, fourth, with $75,000,000; and China, fifth, with $11,000,000.

"All other countries are meeting the service on their engagements, either partly or wholly," says Max Winkler, president of the council, in reference to the report. "Few investors appreciate the fact that most of the European nations which obtained financial accommodations in the U.S. market are meeting their engagements in full, with some even paying the service on their commitments in strict accordance with loan agreements, that is, in gold or its equivalent.

Silver Devaluation Not Workable, Says Japanese Newspaper

In commenting on the recent report that the Nanking Government may devalue the currency, the *Japan Times* in an editorial stated that the workability of such method is extremely doubtful in view of the following reasons:—

1. A devaluation would bring about no appreciable profits for the Chinese Government in view of the smallness of the amount of silver it holds.

2. A devalution means a sharp contraction in receipts of the Government from taxes, which constitute the main source of revenue.

3. Smuggling will remain possible as long as the United States continues to maintain the present silver policy.

U.S. Congress May Broaden Silver Program

Recent New York messages stated that the Chinese Legation in Washington had renewed its protests against the United States' silver policy, but nevertheless, Washington observers believe that the present Congress is likely to broaden rather than modify the silver program.

Five New Planes Named at Peiping

Five new airplanes, recently purchased abroad with funds contributed by the people of Peiping and North China, arrived in Peiping Dec. 29 from Shanghai via Kaifeng, provincial capital of Honan. The naming ceremony for the planes was be held at the Nanyuan Airdrome on New Year's Day.

Julean Arnold Urges Establishment of a "China House"

(*From the Chinese Christian Student, New York*)

Julean Arnold, American Commercial Attache in China, is urging the business men of the United States, particularly on the Pacific Coast, to organize a "China House" or "House of the Orient," in order to bring the Far East closer to the American people. Because of many empty buildings, he feels that the present is an opportune time to launch the project.

It is his conviction that Orientals know the languages and institutions of the United States infinitely better than Americans understand the civilizations, inritutions and psychologies of Asiatic peoples. Because the United States does little to qualify for its ever-expanding opportunities and growingly graver responsibilities incident to its important geographical position in the Pacific,he feels that a program of education and contacts will help arouse the apathetic American public.

Such a program, according to him, will best be realized if a "China House" or "House of the Orient" be organized and maintained in some Pacific Coast poat, serving as a clearing honse and center of coordination on Asiatic contacts. It could be patterned after India House in New York, but with a wider scope of interests, combining service and social organization of distinguished character, drawing its membership from a wide cross-section of the community.

Its circle of action will include such objectives as the following:

To correct the idea that all Chinese are laundrymen, vegetable vendors or menials; to publish maps featuring the Pacific rather than the Atlantic Ocean as the center of world geography; to revise the Asiatic chapters in school texts, to stage Asiatic pageants; to discourage irresponsible cruises to the Far East; to encourage more Asiatic students to do graduate work on the Pacific Coast rather than going to the East; to induce leading Pacific Coast newspapers to maintain well qualified correspondents in China and Japan.

"Although we have returned to China $25,500,000 of the American Boxer Fund and thousands of Chinese students have been educated in America, yet we have done very little to counsel and advise them on their studies and work in America which may be most helpful to them on their return to China," Mr. Arnold said. "As many are destined to become leaders, it behooves us to be of every possible practieal assistance to them during their sojourn here."

Mr. Arnold suggested that one of the functions of "China House" will be be to urge well qualified and carefully selected Americans to function each as a big brother to a Chinese student resident in the U. S. because the advantages will be mutual.

For its proper functioning, Mr. Arnold said that the club's voting membership will be confined to American citizens to safeguard possibilities of its becoming involved in issues of any one Asiatic group vis-a-vis another. For similar reasons, it will not accept financial support from Oriental sources. This, however, will not prevent the acceptances of art ar book collections.

Gen. Chiang Kai-shek Gives Views on Economic Situation; Reds Suffer Reverses in Kweichow

High Lights in the Events of the Week:

1. **Nanking Observes 24th Anniversary of Founding of the Republic.**
2. **Central Government Orders Concerted Drive on Reds in Kweichow.**
3. **Nanchang Staff Corps Departs for Szechuan to Direct Anti-Red Campaign.**
4. **Kiangsi Progresses Despite Unsettled and Difficult Conditions.**
5. **Wang Ching-wei and Ariyoshi Have Long Conference at Nanking.**
6. **Organized Smuggling of Silver and Goods in North China.**
7. **"Eastern Tourist Bureau" to Continue Operation.**
8. **Kwangtung Sends Military Mission to Europe.**

After a forthnight's rest at his native home in Fenghua, General Chiang Kai-shek, President of the Military Affairs Commission, accompanied by Madame Chiang and Dr. Wang Chung-hui, Judge of the International Court at The Hague, arrived at Hangchow by motor-car Dec. 29.

General Chiang, in special intrview at Fenghua granted to a correspondent of the *Kuo Min News Agency*, discussed the present economic situation and expressed the following opinions:

Q.—With the success of the anti-Communist campaign it should now be possible to make practical progress with the various schemes of national development. On what aspect do you think special emphasis should be placed?

A.—I think that the time has now arrived to carry out a definite constructive program based, however, upon the present economic condition of our people and the possibilities of future development. These schemes should be carefully prepared and put into operation gradually.

Q.—You know that rumours are widespread in Shanghai concerning the Silver situation, and that, as a result of nervousness, the monetary and financial situation is affected. Will you tell as what is your opinion on this subject?

A.—These rumours have been created by speculators. but I believe the Ministry of Finance has already issued an official announcement emphatically informing the banks that these rumours are entirely without foundation.

Q.—What is your view of the policy of imposing a tax on exports of silver from China?

A.—Owing to the discrepancy between the world price of silver and the price in China, which has developed in recent months, it has been profitable to export silver from China. As a result, a large amount of silver has been transferred abroad, and the Government was eventually obliged to take steps to prevent an excessive outflow. It is unfortunately true that the interpretation placed in the markets upon the American Silver Purchase Act of 1934 has contributed to the recent outflow of silver from China. I am, however, convinced that the American Government will take account of China's vital interest in the silver problem.

Q.—If the price of silver abroad continues to rise and the outflow of silver continues, will the Government devalue the standard dollar?

A.—Such a measure would benefit neither the Government nor the people, and consequently there is no reason for the Government to adopt such a step.

Q.—Owing to the reduction in silver stocks in China there are people who think the Government will adopt a paper standard of currency. Will you tell us if there is any basis for such an idea?

A.—A paper standard of currency is absolutely unsuitable for China, and, since it would be harmful to the welfare of the people, the Government does not intend to adopt such a measure.

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In order to make the Country (*Chu*) administration more efficient as an auxiliary organ of the District (*Hsien*) Government, the Provisional Headquarters of General Chiang Kai-shek, President of the Military Affairs Commission,—in a circular order to the various Provincial Government within the bandit-suppression zone,—instructs that the County system be so reorganized that the County autthorities will be able to carry out more effectively the orders of the District Government. The County Council (*Chu Kung-So*), hitherto a self-governing organization, should be aobolished, and a County Government or Administration (*Chu Shu*) created in its stead.

24TH ANNIVERSARY OF REPUBLIC CELEBRATIONS

The 24th anniversary of the establishment of the Republic was celebrated on New Year's Day both at Central Party Headquarters and National Government House in Nanking. In commemoration of the occasion a memorial service was held, which was attended by over 600 Party members and officials. President Ching-wei presided and delivered the principal address.

General Tang Sheng-chih, Inspector-General of Military Training; General Chen Tiao-yuan, President of the Military Advisory Council; Wang Yung-pin and Hung Lu-tung, respectively Minister and Political Vice-Minister of Judicial Administration; and Chen Ta-chi, Chairman of the Examination and Selection Committee; were formally inducted into their new offices on New Year's Day.

The new members of the Chekiang Provincial Government Committee was formally inducted into office at the auditorium of the Provincial Government House at Hangchow on New Year's Dav. General Huang Shao-hsiang, Chairman of the Provincial Government, was also sworn in as concurrently Commander of the Chekiang Provincial Peace Presservation Corps.

General Chiang Kai-shek who spoke on the occasion said the inauguration of the new Chekiang Provincial Government Committee an New Year's Day coincided with the anniversary of the founding of the Republic and the day that Dr. Sun Yat-sen, the late Party Leader, assumed the Presidency. This day should, therefore, be a day to be remembered by the people of Chekiang. In the first place, General Chiang said tthe New Life Movement, which was sponsored by himself. has, with the ardent cooperation of various quarters, been tried out for a year, We have come to realise that in order to make the country strong, we must spread efficiently enforce the movement. We should, therefore, from this day onward make a new start and be imbued with the true Revolutionary spirit. We should dedicate this year as the New Life Movement Year, and we should strive to establish a new Republic of China based upon the four cardinal virtues of proprietv. righteousness, honesty and honour. Secondly, he urged that reforms should be introduced by the Chekiang Provincial Government. Due to the severe drought calamity in the province last year, much difficultv will be encountered in carrving out new enterprises. But Dr. Sun once said that there is nothing in the world that cannot be accomplished. We should be able to do anything if we have the will to do it.

SIKONG TO BE CREATED A PROVINCE

An important decision relating to the creation of the province of Sikong—which will be the 28th province of China—was reached at the meeting of the Executive Yuan held Dec. 25. General Liu Wen-hui, Defence Commissioner for the Szechuan-Hsikong border, was appointed concurrently Chairman of a Committee for the establishment of a Sikong provincial administration with No-Na Hutuketu ("Living Buddha" of Sikong), Hsiang Chuan-i, Leng Yung and Lo Kuo-fan as members.

Sikong province will be composed of 32 districts (Hsien). It has a population of 4,000,000 Chinese and Tibetans, and an area of 1,400,000 square li.

Ma Chao-chun, a former Mayor of Nanking and until recently a member of the Legislative Yuan, has been appointed a state councillor, filling the vacancy caused by the recent death of Teng Tseh-ju. The appointment was formally announced by the standing committee of the Central Executive Committee on Dec. 27.

NEW MEMBERS OF THE LEGISLATIVE YUAN APPOINTED

The Central Political Council has approved the appointment of the new members of the Legislative Yuan, recommended by Sun Fo, President of the Yuan. The total membership consists of 86 persons, 67 of them being old members re-appointed, while the rest 19, new members. The new members are: Madame Wang Ching-wei, Dr. C. L. Hsia, Cheng Hung-lien, Lien Shenghai, Chen Shu-yuan, Yang Yu-chung, Yang Shu-tseng, Pang Shun-shih, Hang Ching-tao, Li Jen-tsai, Kwan Shu-jen, Lin Yueh, Wang Tseng, Liu Cheng-tung, Mei Lu-ao, Chao Mohua, Ko Yuan, Wu Huan-chang and Pu Ying-Ta-Ting (a Mongolian).

Lin Ping, Minister to Cuba, and Yu Chun-chi, Consul-General at Havana, have been recalled by the Ministry of Foreign Affairs. Chu Shih-chuan, Assistant Director of the Department of European and American Affairs and concurrently Chief of the 1st Section, has been appointed First Seceretary of the Legition in Cuba and concurrently Consul-General at Havana.

Dr. Chang Nai-yen, Minister to Belgium, left Brussels on Dec. 15 for Venice. He is returning by the s.s. "Conte Rosso" and is expected to arrive in China on January 17.

KWEICHOW FORCES RECAPTURE CHENYUAN FROM COMMUNISTS

The city of Chenyuan, eastern Kweichow, has been recaptured by the 2nd Army Corps under General Hsieh Yo of the Government Pursuit Forces in conjunction with the Kweichow Provincial Forces under General Wang Chia-lieh. The defeated "Reds" retreated in two directions, one northeastwards towards Shihtsien and Yin-kiang and the other northwards to Lungki passing through Huang-ping and Yukiang. They left behind 1,000 killed. In covering the retreat of the second portion, the "Reds" occupied Chenhsiungkwan in order to stem the advance of the Government forces. Fierce assaults are being launched by the Government Pursuit Forces under Generals Wu Chi-wei and Chou Hun-yuan. The former is assailing the "Reds" in the Shihpin-Huangping sector from Chengyuan while the latter is attacking Huangping from Sanhui via Shihtungkow.

NANKING ORDERS CONCERTED DRIVE ON REDS IN KWEICHOW

Identic orders—for the complete eradication of the "Reds" under Chu Te and Mao Tse-tung in the province of Kweichow—have been issued by the Central military authorities to General Liu Hsiang of Szechuan, General Ho Chien of Hunan, and Generals Chen Chi-tang and Li Tsung-jen, of Kwangtung and Kwangsi respectively. The order states that steps should be devised for the liquidation of the marauders in Kweichow, instead of merely pursuing them, and that no chances should be given to the outlaws to enter Szechuan. The Central authorities promise to furnish adequate military allowances and supplies to the forces engaged in the campaign in Kweichow.

A joint appeal for the remittance of an appropriate subsidy for the upkeep of the Kweichow Provincial Forces in the campaign against the "Reds" who have invaded Kweichow, has been received by General Chiang Kai-shek and President Wang Ching-wei from General Wang Chia-lieh, Chairman of the Kweichow, and General Yu Kuo-tsai, Field-Commander of the Kweichow Provincial Bandit-suppression Forces. The message states that, owing to the impoverished state of the Provincial treasury, it is extremely difficult to meet the additional military expenditure.

Over one thousand Red remnants under the command of Chu Teh and Mao Che-tung, were killed as the result of heated encounters with Government troops on December 27 near Chenyuen on the Kweichow-Hunan border, according to telegraphic messages received at Changsha. According to the messages, large hordes of Red marauders following their heavy defeat along tthe Chien River where many casualties were inflicted, retreated to Chenyuan. Immediately upon learning their retreat to Chenyuan, heavy reinforcements for the Government troops there were rushed to the point to effect an encircling movement against the outlaws. The messages further stated that General Liu Chienwhile the troops under General Hsueh Yo also arrived at a strategic point on December 27th on the Kweichow-Hunan border and directed operations against the bandits, while the troops under General Hsueh Yueh also arrived Kweichow from Hunan to co-operate in the campaign.

According to official communiques received from the front, the Communists attacking Taoyuan, northern Hunan, have been driven west and the city is now completely cleared of all traces of the marauders. The 8th and 9th Regiments of the Hunan Provincial Peace Preservation Corps are now stationed at Taoyuan for the maintenance of peace.

A telegram received at Canton from General Wang Chia-lieh, Chairman of Kweichow, states that the Kweichow forces are launching a counter offensive against the Reds along three different routes. Following a fierce battle, Government troops are reported to have re-captured Chengyuan. The Communists are said to be retreating in the direction of Yinkiang. It is stated that a severe attack has been launched by Government troops against the Reds who are occupying Szeping and Lushan in eastern Kweichow

MANCHANG DISPATCHES STAFF CORPS TO SZECHUAN

Under the leadership of General Ho Kuo-kuang, 200 members f the General Staff Corps of the Provisional Headquarters of the President of the Military Affairs Commission arrived at Hankow from Kiukiang on the s.s. *Fu Yang* Dec. 30 en route to Szechuan. This body of Staff officers have been ordered by General Chiang Kai-shek to be stationed at Chungking and will, under the direction of General Chiang, assume responsibility for the planning and supervision of the bandit-suppression activities in Szechuan. All orders will hereaftter be issued by the Staff Corps in the name of General Chiang and will be counter-signed by General Liu Hsiang, Commander-in-Chief of the Szechuan Bandit-suppression Forces. Under the Corps will be established four bureaux (telegraph, communications, military and civil affairs).

In a telegram to General Liu Hsiang, General Chiang Kai-shek, instructs that General Teng Hsia-hou, Field-Commander of the 1st Route Army attached to the Szechuan Bandit-suppression Forces, be enjoined to hand over the garrision posts at Chachua and Kwangyuan, in northern Szechuan near the Szechuan-Kansu border, to the 1st Government Division under General Hu Tsung-nan, which has been despatched from Kansu by General Chiang to assist in the operations against the "Reds." The ranking Szechuan Commanders will proceed to Chungking next week to receive instructions from General Liu Hsiang and General Ho Kuo-kuang.

Addressing the leaders of the various civic organizations of Chungking Dec. 27, General Liu Hsiang stated that the despatch of a delegation from the General Staff Department by the Nanchang Provisional Headquarters of the President of the Military Affairs Commission is to ascertain conditions among the various route armies of the Szechuan Bandit-suppression Forces so that a concrete program may be mapped out against the "Reds" in northern Szechuan. Continuing, General Liu said that if the Szechuan bandit-suppression forces would rectify their weaknesses, there will be no difficulty in smashing the "Reds" under Hsu Hsiang-chien. As for the "Reds" under Chu Te and Mao Tse-tung they have, after fleeing thousands of miles, been reduced to exhaustion and are terror-stricken. Furthermore. their food supplies are reported to be very low. The Central authorities have instructed him, General Liu said, to despatch his men southwards to Kweichow to join the Hunan and Kweichow forces in attacking the outlaws. He furtther said that the New Life Movement will be strictly enforced in the province.

Yang Hsiao-po, deputy of the Central Bank of China, arrived at Chungking from Hankow by the C.N.A.C. air-

plan Dec. 27 to make preparations for the establishment of a branch of the Central Bank.

KIANGSI PROGRESSES DESPITE UNSETTLED CONDITION

Rapid progress has been witnessed in Kiangsi, China's "Red" province, in spite of the unsettled conditions and destruction during the past several years. Highways have been extended rapidly during the anti-Communist campaign and to-day the province boasts of some 9,000 li of motor highways. Nanchang, the provincial capital, has grown in importtance owing to General Chiang Kai-shek's presence and the city is gradually being modernized. There are many new wide streets and parks. Chung Cheng bridge, to be built in honour of the Generalissimo at a cost of $640,000, will soon be constructed. Being the birth-place of the New Life Movement, Nanchang is building many homes and shops which will be rented at moderate rates. A new $360,000 communications building, which will house the post office and the telephone and telegraph administrations, is also being planned.

The six main trunk highways in Kiangsi province, linking practically every big city and all strategic points in the province, are expected to be completed and opened to traffic by February. A big program is being planned for the opening.

3RD ROUTE ARMY ANTI-RED RECORD

The 3rd Route Army has ended an arduous 10-months campaign against the Reds with the capture of Ningtu, Communist stronghold in Kiangsi. The army lost more than 3,000 men during 30 engagements with the Communists.

The economic blockade against districts in Kiangsi formerly held by the Reds will be completely lifted, according to an order issued by the Military Headquarters at Nanchang. The blockade will be lifted by stages and definite plans to facilitate the transportation of supplies have been made.

General Chiang Ting-wen, Pacification Commissioner of Fukien, has instructed all the Government forces to intensify the search for Communist remnants hiding in the province. The various districts will co-operate to prevent the outlaws from escaping from one area into another.

Malaria is raging in the districts of Changting, Liencheng and Mingkow, former bandit areas in south-western Fukien, according to reports reaching the Fukien Provincial Government. The Public Health Administtration of the Ministry of Interior is despatching Dr. Yao Yung-cheng to Fukien to assist in preventive work.

Omnibus service on the Changting-Pengkown section of the Lungyen-Changting Highway, in south-western Fukien, is now in full operation. The road was built by soldiers of the 9th Division under Lieut.-General Li Yen-nien.

One full Division of Government troops has arrived at Hsiu-ning on Anhwei-Chekiang border to launch an attack on the Communists in Ningkuo, South-eastern Anhwei, which is now being threatened by the roving bands of the Reds. The vanguards of the expeditionary forces are reported to have already advanced beyond Tsingteh and are pressing towards Ningkuo. In view of the poor equipment of the Reds, it is expected that before long they will be completely surrounded and suppressed.

WANG AND ARIYOSHI HAVE LONG CONFERENCE

Akira Ariyoshi, the Japanese Minister to China, who arrived in Nanking Dec. 27 from Shanghai, called on Wang Ching-wei, President of the Executive Yuan in the afternoon and had a long conversation with him, lasting nearly two hours. It is understood that the Chinese new Pilotage Regulations and the discharge of a Japanese official in the Chinese Customs Administration formed the principal topics of discussion. According to the new reregulattions, only Chinese citizens are qualified for pilotage duties in Chinese waters, which provision has been objected to by the Japanese. Mr. Ariyoshi, in the course of his interview with Mr. Wang, is understood to have requested him to consider a revision of the new regulations so as also to qualify Japanese nationals as pilots. It is now known whether their discussions had resulted in any agreement for the settlement of the question.

FAR EASTERN TOURIST BUREAU TO MAINTAIN PEIPING-MUKDEN SERVICE

The Far Eastern Tourist Bureau will continue to maintain the through express service on the Peiping-Mukden line according to previous arrangements. It is stated, however, that the three-year contract has not yet been signed. Negotiations are continuing.

ORGANIZED SMUGGLING OF SILVER FROM NORTH CHINA

Despite the vigilance and rigid supervision on the part of the Tientsin Customs authorities, organized smuggling on a large-scale of silver from North China into the Northeastern provinces is now going on under the protection of nationals of a certain alien country. In stead of attempting to smuggle through Tientsin, unscrupulous Chinese elements in league with their alien collaborators have been absorbing large sums of cash silver into the Luantung Area, whence they remit to Manchuria via the various Great Wall Passes. The smugglers are reported to have established an organ at Tangshan to engage in the operations. The smuggled money is being exchanged for goods from Manchuria which they clandestinely transport to the southern part of Hopei and sell at dumping price, thereby seriously affecting the market of native products. In view of this situation, General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, has decided to take drastic measures to suppress the smuggling operations. He has issued an order to the authorities in the various districts in Luantung to keep close watch on the smugglers and mete out severe punishment to any found to be engaged in the operations.

JAPANESE GOODS SMUGGLED INTO TIENTSIN

According to an official of the Tientsin Maritime Customs, more than $30,000,000 worth of Japanese goods have been smuggled into North China through the port of Tientsin since January 1, 1934, and only 10 per cent of it has been seized and confiscated by the Customs. Most of the smuggled goods come from Dairen and are shipped direct to Tientsin. Large quantities are also being smuggled through Shanhaikuan and other Great Wall passes.

2 JAPANESE NABBED IN SIAN IN CHINESE CLOTHES

Two Japanese travelling on foot and disguised suspiciously in Chinese dress, arrived at Sian, Shensi Capital, from Peiping (via Suiyuan, Tatung, Taiyuan and Tungkwan) Dec. 26, carrying with them passports issued by the Japanese Legation in Peiping. They claimed that they are on on a pleasure trip to the Northwestern provinces, but it was found that they had been making detailed investigations into military and economic conditions in the Northwest.

Preliminary engineering work for the construction of a new iron bridge spanning the Luan River in Luan-hsien which is undertaken by the Peiping-Liaoning Railway Administration, will be completely in February, and the inauguration ceremony for the gigantic engineering feat is scheduled to take place the following month in March, when the foundation of the bridge will be ready for commencement of regular work, it is learned from communications circles at Tientsin. The new bridge is expected to be completed within three years, an engineering feat to rival that of the Chien Tang River Bridge in Chekiang. The decision to build the new bridge was made last September when tthe old bridge was found in very bad condition.

More than 20 Chinese, deported by the Japanese Government, arrived at Tsingtao Dec. 26 aboard the s.s. *Kobe Maru*.

GENERAL HUANG TO LEAVE FOR NANKING MIDDLE OF JANUARY

As a result of the persuasions of General Chang Chun, Chairman of the Hupeh Provincial Government, General Huang Fu, Chairman of the Peiping Polittical Council, who has recently been appointed concurrently Minister of Interior, has decided to leave for Nanking to assume his new duties middle of January.

BANDITS ACTIVE NEAR PEIPING

Considerable anxiety has been felt in vicinities around Peiping owing to the increased activities of the bandits under Yang Hou-hsiao. More than 200 outlaws from Chahar have looted and burned several villages 60 li from Paotingfu. The military headquarters at Paotingfu has sent a detachment to pursue the bandits.

Martial law has been declared at Tungchow since Dec. 30 as a precaution against an incursion by the scattered outlaws under the notorious Liu Kuei-tang. The city is being defended by units of the 32nd Army and the Tungchow police. Searches are being conducted at the city gates on pedestrians. 200 bandits appeared at Shihmen, near Tungchow, but were defeated by units of the 32nd Army under General Shang Chen. These outlaws have now fled eastwards to Sanho and Paoti in the "demilitarized zone." The Hopei Provincial Government has ordered the peace preservation units of the two districts and neighboring cities to round them up. The remnant marauders at Mentowkow and Chaitang, west of Peiping, have been enveloped by units under General Wan Fu-lin, Commander of the 53rd Army.

Sixty of the 200 militiamen stationed at the second district at Yutienhsien, mutinied Dec. 29. Following a half-day engagement they were disarmed and imprisoned. It is learned that the mutiny was the result of dissatisfaction regarding the treatment they were receiving from the local authorities.

MONGOL PRINCE IN PEIPING

Prince So, President of the Silingol League and Vice-Chairman of the Mongolian Local Autonomy Political Affairs Council, arrived at Peiping Dec. 27 from Kalgan, provincial capital of Charhar. Interviewed, Prince So said that he has come here solely for medical treatment. He will later proceed to Shansi to see Chang-chia Hutuketu, "Living Buddha" of Chinghai (Kokonor). He said he is not planning a trip to the Capital for the time being. He also denied reports that he will shortly be appointed Chairman of the Mongolian Local Autonomy Political Affairs Council, in succession to Prince Yun. With reference to the program of the Mongolian Local Autonomy Political Affairs Council, Prince So said that in order to maintain peace and order in Inner Mongolia, the Council is now organizing a Peace-Preservation Corps (Pao-An Tui) for the suppression of banditry. In order to develop industries in Mongolia, he continued, the Council has already established a wool factory.

ADMINISTRATIVE TRAINING SCHOOL FOR MONGOLS

Plans are under way for the establishment, under the auspices of the Tibetan and Mongolian Affairs Commission, of a training school at Nanking for future administrators in Tibet and Mongolia. One hundred students will be given an intensive six-month training in Nanking before being sent to Tibet and Mongolia for duty. The plans have been submitted to the Executive Yuan for approval.

Numbers of people in Neihsiang, Outer Mongolia, are in dire distress, and the Central Government has been petitoned to appropriate a sum of $30,000 to provide food and clothing for them.

The Hsingsha Living Buddha from Chinghai, who has been conducting a series of prayer meetings in Mongolia, arrived at Peiping from Suiyuan Dec. 26. The Living Buddha is planning to leave after the New Year holiday for Nanking, where he will receive a new decoration from the National Government. He will then return to Tibet by way of India.

Train service on the western extension of the Lung-Hai Railway between Tungkwan, in eastern Shensi along the Honan border, and Sian, provincial capital of Shensi, began operation Dec. 27. Through transportation in conjunction with other lines was also simultaneously inaugurated. The opening of the line has been eagerly awaited as it serves to bring the North-west in closer contact with the seat of the Central Government. It has taken the Government about a year to build the Tungkwan-Sian section of the Lung-Hai Railway. Traffic on the Tungkwan-Weinan section was inaugurated on Sept. 1 this year.

KWANGTUNG SENDS MILITARY MISSION TO EUROPE

A military mission of eight, headed by General Liu Shih-ching, Commnder of the Kwangtung gendarmes, and General Tu Yi-chien, Vice-President of the Canton Military Academy, is leaving for Europe in the middle of January. The object of the Mission, which is being sent by General Chen Chi-tang, is to study methods of military education abroad. It will first visit France, and then Germany, England and other countries. The tour will be completed in six months.

CANTON TO RAISE $7,000,000 FROM LOCAL MERCHANTS

In order to raise sufficient funds to tide over the present financial emergency, the Kwangtung provincial authorities are attempting to advance a sum of $5,000,000 from the farmers of the provincial tobacco and gambling taxese. In the meantime, they are also trying to secure a loan of $2,000,000 from the local cotton merchants to be secured on the Consolidated Tax. However, in view of the prevailing business depression, the merchants have expressed their inability to furnish the loan.

According to information from the Kwangtung Provincial Department of Finance, more than $20,000,000 of military and administrative expenses are in now arrears and have to be met immediately.

CANTON MAYOR RESIGNING DUE TO FINANCIAL DIFFICULTIES

Due to financial difficulties, Liu Chi-wen, Mayor of the Canton Municipality, has submitted his resignation to the Kwangtung Provincial Government. The Municipal treasury being in an impoverished state and the salaries of teachers of the Municipal schools many months in arrear, Mayor Liu finds it extremely difficult to carry out his duties. It is understood that his resignation is being considered by the Provincial Authorities and may be accepted.

49 NATIVE BANKS CLOSED IN CANTON

According to a survey of the Native Banks Guild, 49 small banks and money exchange shops have closed their doors during the last year. The survey also reveals that in 1932 there were 292 native banks in Canton, 215 in 1933, and last year there were only 166.

The first sugar refinery in Canton, which has an output of five tons a day, is finding a big demand from Shanghai merchants. Orders for sugar-cane have been placed with farmers in the interior of the province.

3000 ILLEGAL, MISCELLANEOUS TAXES ABOLISHED

The Ministry of Finance announced Dec. 30 that over 3,000 kinds of illegal taxes and miscellaneous levies to a total amount of over $28,000,000 have been abolished in China during the current year. The announcement further states that more taxes of similar nature will shortly be done away with which would amount to another $9,000,000. The decision to abolish such illegal taxes, it will be remembered, was made at the National Financial Conference held at the beginning of last year. 23 provinces and Municipalities, according to the announcement, have carried out the instructions of the Ministry of Finance in this respect. They are Kiangsu, Chekiang, Anhwei, Kiangsi, Hunan, Hupeh, Fukien, Kwangtung, Honan, Shantung, Hopei, Shansi, Shensi, Ninghsia, Chahar, Kansu, Suiyuan, Kweichow, Chinghai, Kwangsi, Yunnan, Peiping and Weihaiwei.

Dr. H. H. Kung, Minister of Finance, announced Jan. 2 that two instalments of the Grisp Loan of 1912, instead of one, will be paid annually beginning with 1935, in order that the arrears of principal of this loan, payable out of Salt Revenue, may be entirely cleared up. Thus, the 1929 instalment of principal will be paid in March, 1935; the 1930 instalment in September, 1935; and so on, so that the loan will be completely restored to schedule by 1940.

The Ministry of Finance has remitted to New York, for payment to the American Government on December 31, the sum of U.S.$3,255,198.71. Of this figure, U.S.$3,070,942.18 represents payment of one-third of the total principal amount of obligations given in purchase of the 450,000 tons of relief wheat and flour obtained from the American authorities in 1931-32 for the purpose of effecting relief and rehabilitation following the great flood of 1931. The interest paid December 31 amount to U.S.$184,256.53. The total principal amount of the obligations issued U.S.$9,212,826.56, payable in three equal instalments at the end of 1934, 1935 and 1936.

(Continued on page 207)

Japan Denounces Naval Treaty---U. S. Announces Unprecedented Fleet Maneuvers

The Japanese Government Dec. 29 issued its official notification denouncing the Washington Treaty of Naval Limitations. The notification was contained in a statement issued by the Tokyo Foreign Office. Japanese Ambassador Saito conveyed the notification of treaty termination to U. S. Secretary of State Cordell Hull at 12 o'clock noon on said date. The denunciation of the Washington Treaty was made by Japan on the ground that the existing inequality of naval armaments "does not afford security of national defence to Japan and is detrimental to her national prestige."

The text of the statement issued at Tokyo is as follows :—

In the recent preliminary naval conversations the Japanese government have been exerting, in cooperation with the other Powers concerned, their most sincere efforts towards the achievement of a new agreement, which will secure Japanese national defense and which will bring about a substantial measure of disarmament, eliminating all possibilities of aggression from among the great naval Powers, while lightening as far as possible the tax burden of the peoples.

The Japanese government, after careful consideration from this viewpoint, is convinced that the cause of disarmament can best be served and the security of the Powers permanently assured by concluding an equitable agreement founded upon the following principles, which have been submitted to the other powers :

1.—In view of the present state of extraordinary development in warships, aircraft and other weapons of war, the existing naval treaties which recognize inequality of armaments among the Powers can no longer afford security of national defense to Japan. For this reason, the new treaty should rest not upon a ratio principle, but on the formula of an agreed common upper limit for the armaments to be retained by each Power.

2.—(a) In consonance with the spirit of disarmament, the said common upper limit should be fixed as low as possible.

(b) In order to render it difficult for any Power to attack another but easy to defend itself, the offensive arms should be totally abolished or drastically reduced, and defensive arms adequately provided.

In the light of these basic principles, it is impossible for the Japanese government to be acquiescent to the continuation for a further term of the Washington Treaty of Naval Limitation, which not only permits the retention of offensive arms but admits disparity in naval strength through the adoption of a ratio system.

Moreover, the allocation of an inferior status so detrimental to our national prestige, is bound to remain a source of permanent and profound discontent to our people.

Consequently, our government has long felt incumbent upon it to give notice of its intention to terminate the said treaty in accordance with its provisions at the end of the year 1936, namely, upon the expiration of the stipulated term of its life.

Of this intention, the British and American governments were larly given a fairly clear intimation. The Japanese government however, was anxious to conduct the negotiation in concert with the Powers concerned and invited all of them to give such joint notice.

It was only when those Powers failed to accept the invitation that our government decided to act alone and gave notice to the government of the United States of its intention to terminate the United States of its intention to terminate the Washington Treaty in conformity with the stipulations under Article XXIII.

Each contracting Power has of course, a legal right to give such notice, which is explicity provided for in that instrument.

The present step taken by the Japanese government is only a logical outcome of our fundamental policy which aims at the conclusion of another pact to supersede the Washington treaty.

Our government desires fervently to arrive at an agreement which is just and fair for all the parties concerned and entirely in accord with the spirif of disarmament.

It is prepared, despite the termination on the Washington Treaty, to pursue with undiminished zeal friendly negotiations with other Powers.

So far from entertaining the slightest wish to enlarge her armaments, Japan endeavors to promote the cause of peace by establishing the principle of non-menace and non-aggression through the suppression or drastic reduction of the offensive weapons of war.

It is her firm belief that when the other Powers, appreciating the essential fairness of Japan's claims, consent to make a sweeping reducion in fighting strength along the lines proposed by our own government, then, will a greater measure of security be afforded to the Powers through the elimination of any possible menace from one another, and an enduring peace established upon a solid basis.

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Denunciation Not Regarded Tragically by Great Britain or U.S.

Reuter said Japan's action in denouncing the Washington treaty is not regarded tragically by either the British or American naval delegations, notwithstanding the fact that both deeply regret the termination of an instrument that has successfully limited armaments and averted a threatened naval race. The hopeful factor in British eyes is that Japan has shown no desire to end the Nine-Power and Four-Power Treaties, which, with the Washington Naval Pact, form a structure of collective peace in the Pacific. Nevertheless, the denunciation increases the probability that political issues will be admitted when the naval discussions are renewed. Americans in London anticipate that the denunciation will clear the air and enable a new and more promising basis to be formulated for the resumption of the talks. Both the American and Japanese delegations have hitherto followed firm and uncompromising instructions, which can now be made more pliable on both sides. The American delegation expects that Japan, after diplomatic consultations, will take the initiative to revive the discussions within a few months, in which event a full naval conference is likely next year.

According to opinion in Washington, the end of the pact leaves the way open for unrestricted naval building by the United States, Britain, France, Italy and Japan. What effect it might have on the *status quo* with respect to fortifications of naval bases on the Pacific is a matter bulking large in the study of future international relations.

Mr. Hull and Mr. Vinson Express Regret at Denunciation

The chairman of the Senate Naval Committee, Carl Vinson, expressed regret at the denunciation in a statement. He said that the security of the United States necessitated the maintenance of the 5-5-3 ratio irrespective of the Treaty.

Although sympathizing with the attitude adopted by Japan, Cordell Hull, U.S. Secretary of State expressed regret at her action. He declared that every nation desired to be on a basis of absolute equality with others, but experience taught that conditions of peace or measures of disarmament could not be promoted by a doctrine that all nations, regardless of their varying defensive needs, should have equality in armaments.

"Japan's denunciation is generally regretted in Washington," added Mr. Hull, "but we recognize that any nation has the right to refuse to renew a treaty and that any movement towards disarmament must, in order to be successful, rest on voluntary agreements. Peace by disarmament and co-operation is still the foundation of the United States' foreign policy."

In conclusion, he declared that the United States would be ready to negotiate whenever there seemed a prospect of the arrival of a mutually satisfactory conclusion to the desire that nations should not be burdened by avoidable extravagant expenditures on armaments.

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"Pravda" on War Preparations in the Pacific

Reviewing the latest world developments in an article entitled "War Preparations in the Pacific," the Moscow *Pravda* Dec. 28 wrote :

"The failure of the Washington agreement was predetermined by the development of the same Imperialist antagonisms which once caused its conclusion. The balance of Imperialist forces has fundamentally changed during the past fourteen years. After the Fascism gained power in Germany, the menace of the new war has been hovering over Europe, and Anglo-American antagonism has been particularly aggravated.

"The Japanese imperialism considers this the most opportune moment to establish once and for all its domination to the western part of the Pacific Ocean. War in the Pacific is more than ever the order of the day, and no one of the future combatants in this war is under a delusion regarding its universal nature."

American Admiral Announces Unprecedented Fleet Maneuvers

Simultaneously with the denunciation of the Washington Naval Treaty by Japan on Dec. 29 American plans for naval maneuvers on an unparalleled scale in the Pacific were disclosed by Admiral Joseph Mason Reeves, commander-in-chief of the United States Fleet. Announcing that the exercises would be held next summer from May 3 to June 10, the Admiral said that they would extend throughout the East Pacific. Venturing almost into Oriental waters, the fleet would cover over 5,000,000 square miles of the ocean. It is claimed that the fleet will represent the largest and most powerful armada ever assembled under a single command in the naval history of the world. The exercising forces will comprise 177 surface vessels, 477 naval aircraft, the naval airship *Macon*, four aircraft-carriers, and 55,000 officers and men. The fleet will be divided into three sections, with bases at Honolulu, the Aleutian Islands and Midway Island, in north Pacific.

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Japan Also Announces Maneuvers

The Japan Advertiser, under the heading of "Japan Will Follow U.S. in Fleet Drills in North Pacific" in its issue of December 17 printed the following:

In that part of the board on which Japan and the United States are smilingly fighting out their own particular play in the world-wide naval chess game, Japan has called "check." The United States has ordered major maneuvers in the North Pacific from January to March next year, and in riposte to that move the Japanese Navy Ministry and the Navy General Staff Office have made provision for exercises in the same waters on a scale larger than the Japanese navy has ever known before, starting early in July and extending until late October.

Every available fighting ship in the Japanese fleet will participate in the maneuvers; the vernacular press as a whole reported yesterday, and the Yen 6,000,000 required to finance the war games already has been approved by the Cabinet and incorporated in the budget of the 1935-36 fiscal year.

Naval authorities and the Okada Cabinet as a whole, the vernaculars agreed, attach the utmost importance to the maneuvers because of the critical naval treaty situation and the fact that Japan's resignation from the League of Nations becomes effective next March.

The high command of the Japanese Navy observed the plans of the American Navy to operate in a series of practice battles in a triangle represented by Alaska, California, the Aleutian Islands and Hawaii, and judged it high time that the Japanese fleet conduct exercises in the same strategic grounds, it was reported in all the important vernacular newspapers. Many of them went into details as to the progress of the maneuvers, indicating that the Navy Ministr had issued a general press statement.

Japanese Maneuvers to Approach Alaska

It was said that the maneuvers of the Japanese Combined Fleet will be divided into three stages under direction of the newly appointed Commander-in-Chief. Vice-Admiral Sankichi Takahashi. The exercises will be started near Japanese coasts, and will extend by stages to the Kuriles, Kamchatka and Alaska, ending just west of 180 east longitude.

It will be the first time the Japanese Navy has held exercises approaching such a scale in the North Pacific. Last year's manoeuvers were in the South Pacific, and this year the manuevers were principally drills in the defense of Japanese coasts. The Nroth Pacific maneuvers of 1935, newly conceived and arranged as a reply to America's fleet plans, will be considered as concluding the three-year defense program tentatively sketched, dependent on new developments, several years ago.

The *Jiji* reported that 192 warships of all classifications and 200 airplanes will take part in the maneuvers, and that the defense of the Kurile, Hokkaido and Saghalien coasts is the main objective. The airplanes will have Ominato, near Aomori, as their base, but naval flying fields in the Hokkaido also will be utilized.

The *Jiji* remarked that, as Vice-Admiral Takahashi has only recently come to his post, and, as Rear-Admiral Joseph M. Reeves, Commander-in-Chief of the United States Fleet, was appointed at about the same time, naval experts are interested from a sporting standpoint in the respective accomplishments of the two flotillas.

The *Chugai Shogyo* saw particular significance in the American naval maneuvers next year, and remarked that the American fleet undoubtedly is practicing in view of the necessity some day of "coming over to the Japanese coast."

"The United States fleet which sailed to the Atlantic is coming back to the Pacific Coast," the newspaper said. "This is in pursuance of the policy of Claude A. Swanson, American Secretary of the Navy, who attaches supreme importance to the Pacific situation. The coming maneuvers represent one of a series of Pacific naval practices by the American Naval Forces, although the American naval command seeks to lend them insignificance. In reality, however, the manuevers are of vital importance to the United States, just as the Japanese maneuvers are vital to this country. The significance lies in the inclusion of the Aleutian Islands, Alaska and Hawaii in the sphere of action. By conducting such exercises, it can be seen that the United States fleet is attempting to test the possibility of coming over to the Japanese coast."

The Japanese newspapers printed in connection with the announcement of the naval maneuvers the report that it had been tentatively decided to hold the 1935 grand army maneuvers in north Kyushu, with the city of Fukuoka as the center. The Army General Staff already has sent officers to the district for preliminary inspections. Two divisions, the 6th from Kumamoto and the 12th from Kurume, with "certain other forces," have been assigned to participate.

Karl Radek On Abrogation of Washington Treaty

In an article in the *Izvestia*, December 31, entitled "Failure of Washington Treaty," Karl Radek is posing the question: What will follow the abrogation of the treaty by Japan?

"In the coming years," answers Radek, "a struggle will proceed, in which Japan will attempt to draw Great Britain to her side. Japan is assured that her further advance against China and the U.S.S.R. will not arouse any action on the part of the United States. With regard to the Great Britain, Japan assumes that the leading circles of British industry and banking favor a deal with Japan. In the event of a war against the U.S.S.R., Japan reckons on material assistance from Great Britain, and in the event of a war against the United States, Japan expects Britain to remain neutral.

"However," continues Radek, "not everything is so simple. This has been most strikingly demonstrated by the statement of the British general Smuts in November, 1934, who emphasized that the future policy of Great Britain will be more closely bound to that of the United States, than to any other group in the world. At the same time, the U.S.A. is starting a very complicated game, seeking to drive a wedge between Japan and England.

"In any case, one thing is clear. The struggle of imperialist powers will be carried on in the situation created by Japan's striving for hegemony in the Far East. If a country enters the path of open collision, she will drag all into it. The failure of Washington treaty is a fact of great historic importance, the consequences of which cannot yet be estim.ted. They may also affect the U.S.S.R."

Harvard Lecturer Says Alaska Is Best Base, in the Event of War

Alaska would be the most effective military base for the United States in case of a war on the Pacific, Dr. Vilhjalmur Stefansson, well-known explorer, told a social group meeting in Pittsburgh on December 12. "Alaska, not Hawaii, is a natural base," Dr. Stefansson is quoted as having said. "Tokyo is twice the distance from Honolulu that it is from Alaska." Dr. Stefansson was born in Canada but received most of his university education in the United States. A lecturer on anthropology and geography at Harvard University, he has led a number of archaeological and exploration expeditions into the Arctic and is the author of several books on the subject.

Chinese See U.S.-British Bloc Resulting from Denunciation

That the renunciation of the Washington Naval Treaty by Japan will precipitate an Anglo-American bloc in the near future, was the opinion expressed by a spokesman of the Ministry of Foreign Affairs in an interview Dec. 29. It was the opinion of the Chinese spokesman that with such an Anglo-American bloc achieved, the Far Eastern situation could be expected to undergo a noticeable change. What immediate influences on China can be expected from Japan's action, is yet too early to predict, the concluded.

American Naval Parley Delegates Return Home

The prospects of a resumption of the London naval talks are growing very dim. The American delegates sailed from London Dec. 29, with a definite intimation that they do not expect to return either for further conversations or a naval conference unless there is a radical change in the Japanese view, which would give a more hopeful basis for future discussions.

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Price of Antimony Reaches $840 Per Ton

One of the results of the world-wide political tension and the rumors of war is to greatly increase the price of antimony, of which mineral China contributes the greater part of the supply, the principal deposits lying in Hunan province. The price has reached $840 per ton, with indications that is will go higher. Antimony is indispensable as a mixture to increase the hardness of steel and other instruments for war purposes. The price of the metal has doubled within two months.

High Japanese Ex-Officials Indicted for Bribery

Sixteen persons, including two former Ministers of State and one Vice-Minister, were indicted in Tokyo, Dec. 27 on charges of bribery and perjury.

The case, commonly to as the Kuroda Scandal, caused the downfall of the Saito Cabinet in July this year.

Simultaneous with the serving of indictments upon defendants, the judiciary lifted the press ban on details of the case imposed on March 26 on the grounds that publicity would impair their investigations into the widespread ramifications of the alleged scandal.

First arrests were made on April 5 in Osaka and Tokyo and, with lighting rapidity, the Procurators' Office committed to prison Baron K. Nakajima, Minister of Commerce in the Saito Cabinet; C. Mitsuchi, a former Minister of Railways; H. Kuroda, Vice-Minister of Finance; and fourteen others.

Baron Nakajima was released on bail October 11 and Mr. Kuroda on December 1. Mr. Mitsuchi was released on bail on October 31.

When the Bank of Taiwan was compelled to take over the firm of Suzuki & Co. Kobe, until then directed by Mrs. Yone Suzuki, a celebrated Japanese woman financier, in the 1927 financial crash, the assets included 220,513 Yen 50 shares in the Teikoku Rayon Co. and 273,000 Yen 50 shares in the Kobe Steel Works. The rayon shares were quoted around Yen 47 in 1927 but rose as high as Yen 195 in 1933.

Judicial authorities allege that those involved in the scandal combined last year to depress the market price to Yen 125 and then illegally purchased 110,000 Imperial Rayon shares from the Bank of Taiwan, making an illicit profit, said to have totalled Yen 1,402,000.

Baron Nakajima is charged with having accepted a bribe of Yen 10,000 in cash and 200 Teikoku Rayon shares while he was Minister of Commerce and Industry.

Mr. Kuroda, as Vice-Minister of Finance, is accused of having accepted 400 Teikoku Rayon shares.

The cases of these men first became the subject of discussion in the recent extraordinary session of the Diet when Dr. C. Iwata, a member of the House of Peers, questioned N. Ohara, Minister of Justice, regarding methods allegedly employed by the procurators in handling defendants. Leather handcuffs had been used on the defendants, leaving them at the mercy of mosquitoes in their cells, Dr. Iwate charged.

Further Attacks on Judiciary Foreshadowed in Forthcoming Diet Session

Recent Tokyo messages indicated that new attacks will be unleashed on the conduct and attitude of the judiciary in their investigation of the alleged scandal involving 16 high Government and banking officials when the Diet reconvenes on January 22. Party politicians are taking strong exception to the terms used by the examining magistrates in the indictments.

In summing up their indictments, the judiciary stated "There is not doubt that crimes demanding the trial of the defendants were committed, as they bribed one another." This, legal experts feel, is unusually strong language for a brief dealing with a case of malfeasance in office.

Coupled with the charges of "inhuman treatment" of the defendants, which were already aired at the extraordinary session of the Diet last month, the material was generally regarded as high-powered ammunition for a parliamentary attack on the department headed by Naoshi Obara, Minister of Justice.

Kunimatsu Hamada, a Seiyukai menber of the Lower House, in an interpellation on December 3, expressed the belief that the imprisonment of Finance Minister officials for receiving bribes long before the arrest of those accused of giving bribes, was done for the purpose of embarrassing the Saito Government, which actually fell as a result of the scandal.

French Attempt to Collect Gold Francs Meets Setback

The dispute between the Tokyo Municipal Corporation and French bondholders regarding repayment of the loan floated by Tokyo in France in 1912, remains unsettled as the French bondholders contend that repayment of the principal and interest, amounting to about 78,000,000 francs, should be made in French gold francs. This contention was upheld in a suit brought against the Tokyo Municipal Government in France. The Supreme Court in Tokyo, however, Dec. 27 upheld the claim of the Tokyo Muncipal Council that the principal and interest should be repaid in the present French legal tender and not in French gold francs.

Netherlands-Japan Shipping Talks Postponed

The Netherlands-Japan shipping conference, scheduled to open in Kobe, December 26, has been postponed indefinitely at the request of the Java-China-Japan Lijn. The Japanese shipping interests represented at the conference are pressing for the resumption of the conversations around January 10 next. These firms insist on the acceptance of a shipping pool, giving 31 per cent to the Netherlands' concerns, and leaving the remaining 69 per cent for themselves.

U. S. Born Japanese May Enter Waseda University

To provide an opportunity for the second-generation children of Japanese residents abroad to secure an education in Japan when they return, Waseda University proposes to open its doors by arranging special facilities for their entrance, thus taking the lead in eliminating much of the difficulty that has handicapped the group before.

New Japanese Vice Consul for Nanking

The Tokyo Foreign Office Dec. 27 appointed Mr. Tanaka, vice-consul, to be Third Secretary of the Japanese Legation in China, and concurrently vice-consul stationed in Nanking. At the same time, Tsutsumu Osakabe, vice-consul, was ordered to the Japanese Consulate at Chientao.

Anmiral Osumi Entertains New Chinese Official in Tokyo

Admiral Mineo Osumi, Navy Minister, gave a luncheon in honor of Lieutenant-Commander Liu Chuan-chang, the newly appointed Naval Attache to the Chinese legation in the Japanese Capital. Among those present at the occasion were General Chiang Tso-ping, Chinese Minister to Tokyo, C. K. Ting, Counsellor of the Legation, and Major-General S. S. Hsiao, Military attache.

Former Shanghai Manager of Mitsui Bank Resigns

Keizo Tsuchiya, director of the Foreign Business Section of the Mitsui Bank, resigned his post Dec. 26 owing to ill health. Mr. Tsuchiya was graduated from the Tokyo Commercial College in 1912 and was manager of the Shanghai branch of the Bank from 1926 to 1930.

Gradual Decrease in Annual Bond Issue Confirmed by Cabinet

Gradual decrease in Japan's annual bond issues, one of the Okada Cabinet's main financial policies, was confirmed in official budgetary brochures distributed to the Diet members Dec. 16.

The bond issue for the next fiscal year of 1935 to 1936 totalling Yen 841,000,000 represents a decrease of Yen 171,000,000 as compared with that for the 1933-34 fiscal year, and of Yen 137,000,000 with that for the current fiscal year, according to the documents.

Of the total bond issue for the next fiscal year, about Yen 749,651,000 is alloted to General Accounts, about Yen 10,000,000 to the Supplementary Budgets and Yen 76,000,000 to the Special Accounts.

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Japanese Navy Apologizes to French Attache

Captain de La Noe, French Naval Attache, Dec. 22 made public the substance of a letter he had received from the Japanese Navy Ministry stating that it considers to be "without any foundation the report spread among the public, such as the charge of spying published in the press" with regard to the activities of Lieutenant Tessier Du Cros, French assistant Naval Attache. The French Naval Attache told a group of Japanese and foreign newspapermen at his home that in a letter the Navy Ministry had expressed its regrets for "the disagreeable information" regarding the honor of Tessier du Cros which had been published.

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Japan Will Import Pig Iron from India

British Indian pig iron totaling 200,000 tons will be imported into Japan during the first half of 1935, according to a contract recently signed between the Pig Iron Joint Sales Company and Indian producers. During the first quarter of the year 130,000 tons are expected to be delivered. It is estimated that Japan will need 1,600,000 tons of pig iron in 1936. For this the domestic supply totals only 1,600,000 tons, of which 650,000 tons will be supplied by iron smelters in Japan and 350,000 tons by those in Manchukuo. The shortage of 600,000 tons in 1935 will be met by imports.

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Japan to Make New Propaganda Effort

The Intelligence Bureau of the Japanese Foreign Office is credited with the intention of commencing a news service next year in an effort "to correct the wrong impressions held abroad of Japan's policy." The Bureau is to supply to the foreign press translations of articles appearing in the Japanese press, and in various magazines. Moving pictures are also to be taken of Japan and Manchuria for screening abroad. In Japan further efforts are to be made to keep the public in touch with foreign policy. For this purpose, the Bureau intends to send ex-Ambassadors and Ministers, as well as officials of the Bureau, to various districts in the country, to give lectures on diplomatic problems. Among the lecturers are Mr. Debuchi, the former Japanese Ambassador to America, Mr. Hayashi, the former Ambassador to Brazil, Mr. Nagai, the former Ambassador to Germany, Mr. Matsushima, the former Ambassador to Italy, Mr. Kasama, the former Ambassador to Portugal, Mr. Mori, the former Ambassador to Chile, and Mr. Kawashima, the former Ambassador to Greece, etc.

Is Dictatorship Suitable For China?

BY PAUL K. WHANG (汪芳仲)

THERE is nothing on which people disagree much more widely than on the question, Is dictatorship suitable for China? To some, it is a panacea which has the efficacy to cure all political ills; while to others, it is but a form of government which may be experimented with success in other countries, but which is not necessarily suitable for China. In this connection, it may be of interest to read the opinions as expressed by two of our outstanding military leaders in recent month.

In October this year, Gen. Chiang Kai-Shek, in an interview with a representative of the North China Daily News, was quoted as saying that the dictatorial form of government might be very well for Italy and Germany, but these countries might not be compared with China, because China was much too big to be ruled efficiently by a dictator. He further asserted, "As he has been assigned a number of posts in the government, it is only natural that, at times, he should express his opinions, but the mere fact that expresses his opinions and that these opinions have been sometimes carried out by the government can not signify that he is proposing to make himself a dictator." While he declared that there was no need for a dictator in China, he, however, believed that the present government must be reformed, because "there is too much overlapping in the official bureau and there are conferences without end."

China Compared to a Young Child

Recently, Marshal Chang Hsueh-liang, when interviewed by the Far Eastern Correspondent of the *Washington Post*, spoke freely of China's urgent need of a dictator. He drew an analogy between China and a ship riding over stormy seas—which had to have a captain, or a dictator, to lead her to safety. He also compared China to a young child, who had to be taken care of by a guardian, or a dictator, until he reached maturity. He was quoted as declaring, "When the river rises and the waters threaten to flood the city, the people rush to the dykes to repair and buttress them. But sometimes the people, in their ignorance, fail or even refuse to work on the dykes. The government then is fully justified in compelling the people to work to save them from their folly. China needs a dictator to build up the dykes of good government which will save the country from the flood of troubles." He also laid down the necessary qualifications of the future dictator who must be "a man of prestige, vision and responsibility; and one whom people would obey and respect." He, however, did not state if we had such a qualified man in our midst.

On the surface, these two military leaders have held divergent views regarding the dictatorship. But it must not be forgotten that Gen. Chiang's utterance was more or less in the nature of a reply to his political enemies, who had dubbed him as the military dictator of China. Being regarded as the virtual leader of the country, he can not be expected to express his opinions as freely as his subordinates, especially on those political problems with which his name has been frequently complicated. Therefore it is open to question if his public statements can truly represent his convictions in his mind.

The Young Marshal, on the other hand, can air his views and speak out his mind without running any risk to embarrass his official position. Having had the privilege of visiting Italy last year and seeing with his own eyes the wonderful progress made under the Fascist regime, he naturally has had a very favorable impression as to what a country can achieve under the dictatorship. Therefore it is quite understandable that he is said to be immensely interested in the problem of dictatorship is really a good form of government, how can he explain the reason why he failed to build up Manchuria when he was its virtual dictator for many years?

During these eventful years when every nation on the earth has been faced with a crisis, either political or economical, the people have somewhat lost their faith in either democratic or monarchical forms of government. The fear of either political or economical crisis has made them restless and ready to forego their personal freedom, if this sacrifice can be conducive to ameliorate either the political or economical conditions of their country. They have willingly lent their ears to any new political or economical theories which give promise to lead their country out of the present labyrinth of darkness; and given their support to any leader or political party that can play up the present day human psychology.

Thus Italy has bowed before Il Duce, and Germany has been under the thumb of Hitler. In Russia, the Communist Party has run the whole show to the exclusion of all other parties, while in Japan, the militarists have ridden roughshods all over the country. Even in the United States, the land where the government of people, by the people and for the people has been held as the most sacred thing, the present regime has been often criticized as being nothing short of a dictatorship. Dictatorship has become a very popular form of government at the present time, and many of the large countries have been under the rule of dictatorship or quasi-dictatorship. It seems that many of our pepole prefer one-man-rule or one-party-rule to any other forms of government.

Dictatorship, as a form of government, is not unfamiliar to Chinese people, and for years, we have been living under the rule of Kuomintang Party to the exclusion of all other political parties. This one-party-rule is but one form of dictatorship. But for some reasons or other, Kuomintang Party has sadly failed to contribute to China what the Communist Party has done to Russia. The fiasco of the Kuomintang rule has converted many of our people to the belief that we can not rejuvenate our country unless we can have a strong leader as Mussolini or Hitler to act as a dictator. A few of our newspapers have openly advocated the advantages of instituting a dictatorial form of government in China, and a seeret society has been actually organized to popularize the movement.

It is controversial if the dictatorial form of government is better suitable to the needs of our country. What is good for Italy and Germany is not necessarily good for China. China, as a matter of fact, has her own peculiar problems not in common with others, which must be solved according to our own experience. We must look at the things at their true perspective without prejudice and bias. Great Britain has prospered under a king; the United States has risen to a great power under a president; and Russia has rejuvenated herself under the dictatorship of one-party-rule. But China has not made any success in the building up of a strong country during the past fifty years, first under an emperor, then under a president and now under the rule of Kuomintang Party.

Personnel the Important Point

What is the fault with China does not lie in the form of government but in its personnels. We have tried every form of government, but we find our position sinking further low. It is easy and simple to change the form of government, but by merely introducing a new form of government without changing the character of its personnels is just in the case of putting old wine in the new bottle—a process which will not bring any good to the country. If China can prosper under the rule of dictatorship, there is no reason why she can not prosper under the present regime, if our future dictator is no other but one of the leaders of the present government. Even though we can find "a man of prestige, vision and responsibility" to act as out dictator, he can not single-handed lift the country from the present Slough of Despond, if he has not equally good assistants to help him.

Dictatorship may do wonders in Italy and Germany, but the credit must not be placed upon the system itself, but upon the dictators themselves. This is the reason why Mussolini and Hitler have been idolized by their respective people. I tend to believe that under their leadership, Italy and Germany can prosper under any form of government, be it monarchical, or democratic, or dictatorial. Otherwise, how can we account for the reason why China could not rejuvenate herself although we had adopted the American form of government up to the advent of the Kuomintang regime?

The average of our people do not care about what form of government which our country will adopt; but what they are interested in is a good government, by which the country can be led out of the present crisis and under which the people can pursue their legitimate business without official interference and the necessity of bearing burdensome taxes and surtaxes. They are tired of internecine warfare, misgovernment and corruption, and therefore they are looking forward to a change which can usher in a new era of peace and order. They, however, do not believe that this new era can be ushered in by merely changing the present form of government to a dictatorship. Nor do they believe that a dictator of such qualifications as laid down by the Young Marshal can be found in our midst. They hope that the officials, instead of finding fault with the form of government for the failure of rejuvenating the country, should take the blame upon themselves and openly acknowledge that they have been principally responsible for all the misfortunes which have befallen this country in the past many years.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.48
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.03
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.16	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	TIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.08	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Trafic, the following free baggage allowances will be granted to each passenger:—

1st class passenger	80 kilogrammes (142 catties)
2nd class passenger	60 Kilogrammes (100.5 catties)
3rd class passenger	40 Kilogrammes (67 catties)

Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Nanking's Elaborate Plan to Develop Sinkiang

BY C. Y. W. MENG (孟長泳)

SINKIANG, or the "New Dominion," or "Chinese Turkestan," having an area of 550,000 square miles and a population of 2,552,000 people, according to the latest statistics, is one of China's largest and the most remote provinces whose language, customs, etc., are materially different from the Chinese. The Chinese traditional policy toward the Province is essentially only an attempt to prolong the Chinese nominal suzerainty over the Province. But early of this year, when at the 148th meeting of the Executive Yuan held on February 20, 1934, it was decided to form what is known as "The Planning Committee for the Reconstruction of Sinkiang." After its organization on March 13, the Committee, consisting of many experts, and divided into four Sub-Divisions, namely, Political, Economic, Cultural and Communications, have held a series of meetings to discuss different projects. We are informed that a volumious and elaborate plan has been drawn up for the reconstruction of the Province. The following is a condensed translation of the draft Plan:

Political Reform

1.—*Settlement of Differences Among the People :—*

a. Equality in treatment of all people in the Province.
b. Cultivation of better feelings, and adjustment of differences, among the people in the Province, by the authorities.
c. Assistance in the cultural, political and economic development.

2.—*Division of the Province into Four Provinces*, namely, the Provinces of Altyn-Tagh (阿山省), Urumchi (迪化), Karashar (焉耆) and Kashgar (疏勒).

(The final decision and detailed ways have to be decided and worked out by the experts.)

3.—*Enforcement of Local Automomous Government :—*

1. First Period :—
   a. Formation of the Provincial Autonomous Preparatory Committee.
   b. Reorganization of local police administration.
   c. Promotion of education of the people.
   d. Giving better treatments to the District chieftains.
   e. Preservation of autonomous organizations of the people already in existence.
2. Second Period :—
   a. Formation of the District council in each administrative District.
   b. Training of the personnel for the autonomous government.
   c. Election of district chieftains by the local people.
   d. Preparation for the autonomous government for pastoral people.
3. Third Period :—
   a. Formation of Discrict Council in each hsien.
   b. Establishment of the autonomous government among the pastoral people.
   c. Formation of autonomous organizations under different districts in different periods.
   d. Abolition of the Provincial Autonomous Preparatory Committee.

(The above "three periods" are to be completed in 15 years.)

4.—*Reform of Provincial Affairs :*

a. Improvement of present political system, —appointment of a civil governor—Division of civil, judicial and military authorities among the officials, instead of being concentrated in one provincial chairman.
b. Increase of the salaries of the government employees.
c. Prohibition in the planning of opium thoroughout the Province.
d. Prohibition of charging usury by Chinese.

5.—*Migration Affairs :*

a. Opening of the Migration Bureau with its general office in Peiping and the branches in many other northern provinces, organized jointly by the National Econimic Council Ministry of Interior and Ministry of Railways.
b. Migration—voluntary and compulsory.
c. Distribution and employment by this Burean of these people for the exploitation of mineral resources first in North Sinkiang; and after 5 years of development, for the exploitation of South Sinkiang.

6.—*The Local Feudal System :—*

a. Re-enforcement of the System of Granting an Audience to the Sinkiang Chieftains during certain seasons of the year. (That is, in the Manchu Regime, the Sinkiang local chieftains were permitted to come to Peking to pay their respects to the emperors twice a year. Such system is no longer in existence today. This time, the Committee recommends that such system by restored, and further, all the travelling expenses of the chieftains be paid by the government in accordance with other regulations, so as "to establish more contact with the Sinkiang people".)
b. Giving special treatment, as encouragement, to the local chieftains who voluntarily surrender title, and hand over the lands to the government.

7.—*Abrogation of "Sinkiang-Soviet Commercial Treaty,"* concluded by the ex-provincial chairman, and early conclusion of Sino-Soviet commercial treaty.

8. *Formation of a "Frontier Boundary Committee"* to decide the boundary problems with Great Britain and Russia.

9. *Regulating the admission into and residence in the Province.*

10. *Establishment of Law Courts :—*
   a. Establishment of a Higher Court in Tihwa (Urumchi).
   b. Enforcement of the Circuit Trial System.
   c. Establishment of Prisons.
   d. Abolition of Torture.

(The above three periods are to be completed in 15 years.)

Economic Reform

1. Reform of the tax system in the Province.
2. Consolidation of the Provincial currencies.
3. Development of Commerce :—
   a. Encouraging and developing the trade between the Province and the inland of China by giving more protection in the transportation; by abolishing the miscellaneous taxes; by suppressing the competition between the government and the people; and by encouraging the Chinese overseas and rich Chinese merchants to invest more capital in the Province.
   b. Prevention of the Russian economic exploitation.
   c. Opening of a Sino-Russian Trade Company.
   d. Imposing of higher tariff duties on foreign imported goods.
4. Industrial Development.
5. Agricultural Development.
6. Improvement of waterways.
7. Foresty Development.
8. Geological Survey.
9. Mining Development.
10. Pastoral Improvements.

(To each of these, the draft Plan gives the detailed scheme for the development in different periods.)

Cultural Reform

1. Educational Reform :—
   a. Division of the Province into different "Educational Districts".
   b. Opening of primary, middle and higher schools in different districts at different periods.
2. Religious Reform :—
   a. Giving adequate protection to each religion, based on the principle of religious liberty.
   b. Prohibition of the occupation of temples, and other religious buildings.
   c. Giving better treatment to the religious institutions by the Government.
   d. Permission to observe the religious holidays, etc., by the people in the government service.
3. Customary reform, such as early marriages, ways of burying the corpse, etc., by means of education.
4. Public Health Reform :—

   Encouraging more medical people to proceed to the Province to render the service to the people.
5. Propaganda works :—
   a. Establishment of Translation Bureau.
   b. Establishment of Printing House.
   c. Publication of papers in Chinese and Mohammedan languages for the education and information of the people.

Communication Reform

1. First Step :—
   a. Improving the present Sinkiang-Suiyuan motor road.
   b. Repairing Lanchow-Tihwa to Tacheng High Road.
   c. Improving the present radio between Nanking and Lanchow under the management of Eurasia Aviation Company.
2. Second Step :—
   a. Construction of motor road within the Province :—
      Eastern Route—Tihwa to Hami
      Western „ — „ „ Ily
      Northern „ — „ „ Tacheng
      Southern „ — „ „ Kashgar via Turfan
   b. Construction of light railway between Lanchow and Tihwa
   b. Construction of light railway between Lanchow and Tihwa.
   c. Opening of more postal offices and postal savings offies.
3. Third Step :—

   Construction of railways connecting the Province with others.

★

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The above sums up the volumious copy of no less than 320 pages on the Plans for the reconstruction of this remote province. Many arguments have been presented on the division of the Province into four or two provinces. Some agreed that there should be no division. However, in view of the size of the Province, and the differences of the people, it may be advisable to divide the Province into smaller units than the present—which will greatly facilitate administrative efficiency. But such matters as the planning of the reconstruction of the Province should be entirely in the hands of the central Government, in order to attain unformity.

We agree also that as it is impossible to secure any change in the local system, which has been in existence from time immemorial—by one or two proclamations. It is far better to preserve some of them, with a tendency to change and improve them gradually.

The most costly reconstruction is the development of the means of communications in the Province, which calls for no less than $15,000,000. But if such project could be put into execution, China should offer employment to many of Chinese unemployed, refugees from famine and flooded districts, and disbanded soldiers, instead of driving them to the communist or bandit camps. Nanking would then be able to exercise more effective control over the Province instead of having merely nominal suzerainty over it. This remote Province would then be adequately protected instead of opening its doors to the Russian, British and Japanese invasions, political as well as economic. Lastly, the "New Dominion" would then become China's "Great Future," probably within the next twenty years, instead of being a vast pastoral land or a "hunting" land for foreign adventurers. As a whole, the Plan is a practical one.

Nanking, December 29, 1934.

British Ship Officers Strike Against Chinese Ship Owner

The officers and engineers of the steamers *Chuen Chow* and *Lee Hong* were dismissed Dec. 31, as a sequel to their refusal to sail, following orders for a strike which was called at midnight on December 29 by the China Coast Officers Guild and the Marine Engineers Guild of China. The owners flatly refused to reinstate the discharged Britons who, they said would be replaced by German and Russian officers. They further threatened that, in order to break the strike completely, they would change their registry to Canton with respect to the vessels involved.

The preliminary trouble arose when the guilds, which are fighting against so-called starvation wages, called a strike at midnight on December 29. Efforts to effect a compromise were fatally complicated by the discharge two days previously of four senior British officers from the *Yue Ton*, owned by Sun Pack-Min, Justice of the Peace and millionaire shipowner. The four Britons were replaced by a Norwegian master and a German mate and engineers.

An ultimatum to the effect that, unless the four British officers were reinstated, 600 European officers abroad river and coastal boats would be called out on strike, was sent to Mr. Sun Dec. 30 by the guilds.

Japan and Turkey to Barter Raw Cotton and Tobacco

The commercial modus vivendi between Turkey and Japan, which was formally signed recently, has been ratified by both countries. The agreement is based on the barter system providing that Turkey will export to Japan raw cotton and tobacco annually to the value of Yen 10,000,000 for which Japan will export to Turkey cotton yarns and miscellaneous goods.

Turkey to Pay War Claims to America

Turkey has agreed to pay America the sum of £260,000 in complete settlement of all claims made by American citizens for losses incurred in Turkey during the Great War. The sum will be paid in thirteen annual instalments of £20,000 each.

Dutch Jewel Expert to Appraise Ex-Sultan's Treasure

A well-known Dutch jewel expert has been entrusted by the Turkish government with the task of valuing the contents of the former Sultan's palace at Istambul. The value of the throne and crown alone is considered to be at least 10,000,000 guilders.

China's Need of a National and Independent News Service

BY KUO WEI-HUNG

IN reading Chinese newspapers and foreign newspapers, if a comparison is made between the two, one finds foreign news preponderant in the vernaculars, with domestic news less than it ought to be, while in foreign newspapers there is more national news than international news. What is the reason for it? Is China not big enough to offer sufficient news to her own newspapers?

If we study Chinese newspapers more closely we find that much of the foreign news appearing in the vernaculars is distorted, due to poor work of translation. The domestic news is also subject to inaccuracy, slow transmission, and vivid propaganda. How many of us realize that our newspapers do not serve us well, and intentionally or unintentionally cheat us every day?

If we make further study we notice that much of the foreign news in the vernaculars is camouflaged propaganda or alleged facts seen through foreign glasses. This is the way Chinese people learn to know about foreign countries and people. China sees the outside world through foreign glasses and the outside world sees China through the same. The significance of this unique fact can readily be imagined.

China is big enough to offer sufficient news to her newspapers. But it is really too big for any single newspaper at present, to have a nation-wide coverage—an area larger than the continent of Europe and population nearly equal to that of the whole of Europe, excluding Germany, with ever-flowing news of economic, social, and political vicissitudes, and natural calamities.

Perhaps we still remember the great earthquake in Kansu in 1920, when 180,000 were killed. Before a single word about it appeared in any vernacular, the fact was already reported abroad and foreigners had talked of raising funds to relieve their fellow men in that region from suffering.

The tragic death of General Chang Tso-lin was reported by our benevolent neighbor just one minute after the incident. The news of the death of Dalai Lama came from *Reuters* to us like thunder from the clear sky. Whether he was poisoned or not and who is his incarnation we still do not know. It seems to be a certainty that this news also will come from *Reuters*. What really happened in the recent Panhung affair in Yunnan God knows, and perhaps *Reuters* too. But not the Chinese agencies! Even for such important domestic news the vernaculars have to depend upon foreign news agencies!

Foreign News Preponderant in Daily Vernaculars

For news gathering and dissemination of foreign news the vernaculars still depend upon foreign news agencies like *Reuters*, *Rengo Nippon Dempo*, *Havas*, *United Press*, *Associated Press*, *Transocean*, *Tass*, etc. They buy and translate news from these agencies and in many cases receive free despatches from them. This is partly the reason why foreign news is preponderant in the vernaculars and not satisfactory from the Chinese point of view. Reports are distorted because the majority of the vernaculars cannot employ adequate and qualified persons for translation work. Now *Reuters*, *Havas*, *Transocean*, and others have their Chinese services which the writer at present is not able to judge.

While all foreign news agencies profess that they are independent, fair, truthful, accurate, and faithful to other high ethics of journalism, they are in one way or another subsidized by the government or interested groups, and each is representing a nation. Nationalism as in the past so at present, means everything. Really it is shocking, but nevertheless a fact, that China relies on foreign news agencies' reports for foreign news and even domestic news, and depends just the same upon the grace of foreign news agencies and correspondents stationed in this country for dissemnation of domestic news abroad. This is suicide, from the standpoint of diplomacy.

For example, recall what happened eight years ago, when in 1926 the Japanese sent troops to Shantung. The Chinese Nationalist army was pushing northward with Peiping as its goal, in order to complete the unification of the country. The Japanese militarists, not choosing to see China united under one flag, occupied Tsinan, the provincial capital of Shantung, before the Chinese Nationalist army got there. On May 30, the Japanese invaders suddenly attacked the Chinese troops at Tsinan without any provocation on the part of the Chinese. The latter evacuted the city upon orders from the high Chinese military authorities, who decided to avert the clash in order to bring about as early as possible the completion of the national unification. During the attack upon and the subsequent occupation of Tsinan, the Japanese troops massacred more than two thousand Chinese soldiers and civilians. What is more, the Japanese troops bombarded the Chinese official premises in the city, and brutally killed Tsai Kung-shih, the Chinese commissioner of foreign affairs in Tsinan.

After deliberately destroying the Chinese radio station in Tsinan, the Japanese flooded the press of the world with propaganda stuff to the effect that the Japanese nationals in Tsinan were in great danger because of "the attack of the Chinese troops." Thus, Japan was able to get her side of the story abroad long before the Chinese were able to do so. At that time, China had practically no means of sending out news except through the grace of foreign news agencies and correspondents stationed in this country.

Immediately after the commencement of hostilities around Tsinan between the Chinese and Japanese troops, the League of Nations received a communique from the Japanese authorities explaining that the Japanese troops went to Tsinan to protect the lives and property of foreign nationals, including Japanese, in that city, and that the Japanese troops were compelled to fire on the Chinese troops because of the latter's challenging attitude and actions, which menaced the security of all Japanese and other nationals there. The Japanese communique added that had it not been for the timely arrival and drastic actions of the Japanese troops on the scene, all the foreign residents of that city would have been butchered by the Chinese "barbarians." As a result, when China sent an appeal to the League of Nations to convene a meeting of the Council, the latter body did not take any serious notice of China's case. Instead, the French, British, German, and Italian delegates at Geneva actually expressed their hearty appreciation for the wise actions of the Japanese troops in averting what might have been a general massacre of foreign residents in Tsinan. China's detailed report of the incident did not get to Geneva until three weeks later. When the first report of the clash of the Chinese and Japanese troops came, the foreign correspondents in Peiping, Shanghai, and elsewhere in China, were ready to get the Chinese side of the story abroad, but they could not get anything in detail from any Chinese sources.

Many other instances in the past show that lack of international publicity on the part of China means continual failure in her diplomacy. The most recent instance is the failure of China to be elected to membership in the Council of the League of Nations. She would have been offered a seat in the Council, had she been able to convince the world of her important position in the Far East.

Besides foreign news agencies and correspondents stationed in China who (some of them) might seek notoriety, the channels through which China is known abroad are self-styled experts, missionaries, and merchants who do not understand fully the Chinese aspirations, travellers who get their knowledge, nay superficial information, from coolies, rickshaw men, and restaurant waiters and waitresses, and sensational novels which usually draw bad pictures of China.

Lack of International Publicity

Thank God, after China had been misunderstood for years on one hand due to the lack of international publicity on the part of China and on the other due to the mean propaganda of the "die-hard" interests which paint us as black as possible, the world begins to see that China is not peopled entirely by bandits, kidnappers, and opium-smokers. Nevertheless, our news contacts with the West are still far from satisfactory. We badly need well organized international publicity to have international understanding and goodwill by soliciting adequate understanding for our legitimate aspirations. The most effective and efficient means for reaching this goal is apparently the dissemination of accurate news through a well-organized and adequately-managed news service.

Credit must be given to the Kuomin Tang for making the first attempt in the history of Chinese journalism to disseminate news abroad through some more or less organized channels. At first the Nationalist Government in a certain way supported the semi-official *Kuo Min News Agency*. The Chinese Foreign Office and the Ministry of Finance released their news almost exclusively through the Agency. And given the advantage of the Chinese government radio service, both transocean, and trans-continental, *Kuo Min* made agreements with the *United Press* for the transmission of Chinese news to the United States, and with the *Transocean* for carrying news about China to Europe. As a result of this agreement, more news concerning China has been able to reach America and Europe.

Another attempt of Kuomin Tang is the organization of the *Central News* Agency which is under the direct supervision of the Central Publicity Department of the Kuomin Tang Party. This news agency now releases its services both in Chinese and English and has made agreements with representative news agencies of various countries like *Reuters*, *Havas*, *United Press*, *Associated Press*, *Transocean*, *Tass*, etc. But it still has no correspondents of its own abroad, an exception being Mr. K'e Kung-chen, who acted as correspondent of the news agency in Geneva during the Shanghai war. While this news agency has already branch offices and correspondents in several important cities in the country its coverage of news is still far from being nation-wide. We, may, however, expect with certainty that this news agency will expand further before long.

However, the *Central News* Agency is a hundred percent government organ, if not party organ. While it has its obvious advantages as being a comparatievly well-organized and adequately-managed news agency it has several defects in the fact that it is an official news agency. The chief trouble with official or semi-official news agencies is the fact that their despatches are likely to be given little credit, if not discredited entirely. They defeat their own ends in the effort to solicit understanding of Chinese aspirations. Besides, the existence of one official and several semi-official news agencies at the same time, as is the case in this country, has the defect of decentralization and duplication of effort and expense.

What is more, from the journalistic point of view an official or semi-official news agency is obviously not desirable. The news is colored, distorted, poisoned at the source, as George Seldes says. The despatches from this kind of agency is likely not all the facts which the public wants and is entitled to know. If such kind of agency becomes the representative news agency of a country that means a negative mass censorship to the press of that country and abroad as well. Facts indicate only news favourable to the government or interested party are released by such an agency.

Another defect is that the stability of an official or semi-official news agency depends upon the life of the government or suporting party. It crumbles when its political support falls to pieces, and it takes time to rebuild.

Only a cooperative news agency like the *Associated Press* of U.S.A. is the ideal news agency, so far as human experience thus far shows. What Mr. Sinclair says about *A. P.* in "The Brass Check" is another matter. I deal here with the organizational principles of *A. P.* only. The essence of the organization of a cooperative news agency like *A. P.* is that it is on a non-profit, self-supporting and mutual assistance basis, with newspapers as its cooperative *members*. It is non-political, and tries to represent no special interests. With all these essences its despatches can be made acceptable to all political parties and religious sects. They are as honest, fair, unbiased and accurate as human beings can achieve.

Let me quote some facts about *A. P.* for reference. According to James A. Mill, former *A. P.* correspondent stationed in Peiping, *A. P.* (in 1934) has 1,000 dailies in U.S.A. as cooperative members, each receiving the same despatches every day, It has its own wires which are always humming like the hands of the clock. Through the wires an average of 200,000 words or 125 columns of words are sent every day. The size of the paper, the population of the city in which the paper is published, and the financial capacity of the paper form the bases of payment of each member. The rate varies from G.$1,000 a week for the biggest papers to G.$30 a week for those which receive abbreviated services.

A. P. has a capital of about $10,000,000, 10,000 employees, 225,930 miles leased wires, 1,300 cooperative members, and 85 bureaus in the U.S.A. It covers news all over the new continent and the whole world. Besides news dispatches it also sends pictures, comics and other materials every day, making it possible for a member newspaper in U.S.A. to depend entirely on *A. P.* for its news and features.

Really gigantic is the *Associated Press* of U.S.A.! How can the vernaculars in this country hope to create an organization like that? But we must remember that *A. P.* had a modest beginning. Everything big begins in a small way. *A. P.* was formed by the leading newspapers in New York City and Brooklyn. At first it was termed the New York Associated Press. Its function was to join in the expenses of sending out a boat to meet any incoming ocean-ship, at first sailing craft, and then steamship, to bring to shore the latest European news, including mailed correspondence and the issues of the European newspapers and magazine press. Later on the Western Associated Press, Southern Associated Press, and New England Associated Press were established. All these were finally incorporated into one, the present stupendous *Associated Press* of the United States.

It is not impossible for the vernaculars in this country to organize a Chinese associated press. According to the Ministry of Interior of the Chinese Nationalist Government, with which all publishers must file their particulars before being able to pass the mail and circulate without police interference, there are more than 3,000 various publications in China. Of these 3,000 publications, a report published last spring gives 746 dailies in China proper, excluding Manchuria which, according to lastest information received, has 44, not including those is Dairen which is at present outside the Chinese jurisdiction.

Imagine the expense of 790 dailies and hundred of news agencies (only in Peiping there are more than 50, many of which are militarists' agents masquerading as as news associations), in this country, with their present separate telegraphic and telephone services, mailing, etc., and judge the poor work done by them. This inefficient and unnecessarily expensive work must not be tolerated in modern China to be. With 790 prospective members it is not impossible to organize a Chinese *Associated Press*. The problem is who is to take the initiative and lead?

Rome was not built in one day, so a Chinese *Associated Press* cannot be expected to be established within a short period of time. A good start can be executed, following the start of the *Associated Press* of U.S.A., by organizing first regional associated press. For instance all vernaculars in Peiping may unite themselves and form

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Peiping Chinese Associated Press. Vernaculars in Shanghai. Tientsin, Canton, Hankow, Hongkong, and other places can do the same. Eventually these regional associated presses can be incorporated into one, the Chinese Associated Press! With the present facility of the radio, the inconvenience of communications in China as a bar to good news service is liquidated.

With the birth of the Chinese Associated press, a revolution in the Chinese journalism will come when the Fourth Estate is really the uncrowned king of China!

Due to the urgent need and peculiarity of journalism we have to take a short-cut to establish a modern National Associated Press of China comparable to any big representative news agency of any country. This can be done in two steps. First, the vernaculars unite themselves to form a national press association, and then perhaps the government would hand over management of the Central News Agency to the National press association, when it proves to have competency for the work.

The government must see that this is the only way for doing good and effective international publicity, as indicated above. The truth of this statement can readily be seen by the fact that people all over the world regard with suspicion and distrust the press of the Fuhrer, Il Duce, and the Commissar, which is not separated from the government as it ought to be, but on the contrary is being exploited by the government. George Seldes writes in the November issue of "Harpers" that the deprivation of the freedom of the press is the first step to the abolition of all rights of the people in any dictatorsial country. *If the Chinese Nationalist Government is really not molding China into Hitler's Germany or Mussolini's Italy, there is no ground for her to decline the proposal made above.*

One of the leading editorial writers of the Peiping vernaculars once told me that the Chinese press would have united years ago had the government's attempt to favor the party papers not materialized. He opined that since the government is now running the *Central News* Agency well, and the Chinese press at present in reality has no financial capacity to organize a modern press association operating on a large scale, the natural way to follow is to let the government continue to run the *Central News* Agency. He thought that the Chinese press night revive the attempt for union later, when necessary, in opposition to the government's undesired action. But this point of view is apparently a blunder. The financial difficulty is not the chief problem and can be solved in the way discussed above, that is, first, to form regional associated presses, and then to take over the *Central News* Agency from the government when a national associated press is formed. It will be too late to fight the government to regain the freedom of the press if we wait till the weapon is already in Kuomintang hands, and it is not advisable to wait for the coming of the fight when we can begin peacefully now to avoid it, by organizing step by step a national cooperative news agency.

The writer believes that the Chinese Nationalist Government has no intention to have a dictatorial form of government and consequently does not need to follow after Germany of Italy for the policy toward the Fourth Estate. Perhaps we are not too far from fact to conjecture that the government is really waiting for the national press association to take over the *Central News* Agency as a *Reuter* despatch of October 28, 1934, reported that the Subcommittee on Newspaper Enterprise of the Chinese Cultural Reconstruction Committee of the government was going to help the vernaculars throughout the country form regional press associations.

While the government can lend a great deal of help in the formation of a national press association, the dynamic force must come from within the profession.

"United we stand, divided we fall".

Mail Route via Siberia to Be Resumed Next Week

The postal embargo against the Three Eastern and Jehol Provinces, announced by the Ministry of Communications in July, 1932, will finally be lifted from January 10, 1935, according to an official notification of the Directorate General of Posts.

According to the notification, ordinary mail service with the four provinces concerned will be resumed from January 10, and parcel and money order services will be resumed from February 1, 1935.

The present arrangements provide for the establishment at Shanhaikwan and Kupeikow of two offices which will act as the forwarding agents for mail matter destined for places outside the Great Wall, and the use of a special kind of postage stamp for the franking of mail matter intended for the four provinces. It is also stipulated that all mail matter, to be acceptable to the Post Office for forwarding, must be written clearly with the names of the provinces where the addressees concerned reside, and they must not bear the name of the puppet "Manchukuo."

The lifting of the embargo is not to be taken as a recognition of Manchukuo. The new arrangement will permit the sending of mail from China *via* the Siberian route, to Europe—which has been in closed for almost three years.

China's Customs Revenue Drops Almost Five Million Dollars

The Ministry of Finance December 31 authorized publication of the following information relative to the customs revenue for the year 1934 :—

The customs revenue for 1934 composed of import and export duties, interport duty and interport surtax, tonnage dues, flood relief surtax, and revenue surtax, amounted to $334,600,000, approximately, as compared with $339,500,000 for 1933. It should be noted that the figures given above are in Chinese dollars. Those given below are in Customs Gold Units, worth at present exchange, almost double Chinese dollars.

1934

The contributions made by each category of duty towards this total, as well as the corresponding figures for 1933, are shown below :

Import Duty	C.G.U. 132,700,000
Export Duty	$24,700,000
Interport Duty and Interport Surtax	16,900,000
Tonnage Dues	4,300,000
Flood Relief Surtax	
On Import Duty	C.G.U. 6,600,000
On Export Duty	$1,200,000
Revenue Surtax	
On Import Duty	C.G.U. 6,600,000
On Export Duty	$1,200,000

1933

Import Duty	C.G.U. 135,763,000
Export Duty	$23,245,000
Interport Duty and Interport Surtax	18,003,000
Tonnage Dues	4,402,000
Flood Relief Surtax	
On Import Duty	C.G.U. 6,586,000
On Export Duty	$1,250,000
Revenue Surtax	
On Import Duty	C.G.U. 6,583,000
On Export Duty	$1,248,000

Of the total import duty collection of C.G.U. 132,700,000, 83 per cent was collected in actual gold unit drafts or notes. The balance was collected in silver according to exchange rates ruling on the date of payment of duty.

The total collections made at each of the principal revenue producing ports during the year 1934, also the amount of the increase or decrease which these totals represent as compared with the collection for 1933, are as follows :

Port	1934	*Collection Decrease over* 1933
	$	$
Shanghai	175,400,000	800,000
Tientsin	41,100,000	700,000
Kiaochow	20,200,000	2,400,000
Hankow	19,400,000	1,000,000
Canton	8,000,000	3,000,000
Kowloon	7,500,000	800,000
Swatow	5,800,000	2,100,000
		Increase
Amoy	5,500,000	400,000

Foreign Loans

The service (1) of the Anglo-German loan of 1898, (2) of the Boxer Indemnity obligations, and (3) of the 1913 Reorganization Loan has been met in full from the customs revenue during the year at a cost of $75,414,347.81, as compared with $85,742,482.36 expended on foreign loan and indemnity account during the previous year.

The obligations due in respect of amortization and interest on the American Wheat and Flour Loan of 1931, amounting in all to U.S. $3,439,455.24, have been met in full from the collection of Flood Relief Surtax, at a total cost of $9,890,315.07. In addition, interest due during the year on the American Cotton and Wheat Loan of 1933 was paid, at a cost of $1,714,023.75, from the proceeds of the Flood Relief Surtax that had been set aside for this purpose during the year 1933.

Internal Loans

In accordance with the terms of the government's mandate of February 24, 1932, relative to internal loans, the sum of $8,600,000 has been paid monthly to the account of the National Loans Sinking Fund Administrative Commission to cover amortization and interest charges of the internal consolidated debt secured on the customs revenue. In addition, the service (interest and amortization) of the 22nd Year (1933) and 23rd Year (1934) Customs Treasury Note Issues has been met in full from customs revenue, at a total cost of $29,415,000.

Manchurian Ports

In should be noted that subsequent to the seizure in mid-1932 of the customs establishments at the Manchurian ports, no quota has been made available the government from that region, or from Dairen, towards the payment of the various loan and indemnity obligations secured on the customs revenue.

Sir Frederick Maze Says China Grows More Stable

In view of the return during the week to Shanghai of Sir Frederick Maze, Inspector General of Customs, it is apropos to revert to an interview given by Sir Frederick recently in London. Emphasizing that China gradually is establishing a stable political system, Sir Frederick pointed out that the present Chinese government, which has been in office for seven years, has done a great deal to consolidate its authority and develop the economic resources of the country.

"When considering the great political, social and economic changes that are now taking place in China," Sir Frederick continued, "we must take into consideration the magnitude of her population, which is nearly one-fourth that of the whole world—and in such circumstances it is unreasonable to except that any government can settle such a multitude of important questions overnight."

Sir Frederick explained that rural reconstruction, land reform, and questions relating to education and the improvement of agricultural methods had made definite progress. The government also is giving close attention to the improvement of communications generally and especially to road building, he said.

"The railway situation is satisfactory and progressive improvement in the management of the various system continues," he added. "It is confidently expected that a scheme will be drawn up for the ultimate settlement of outstanding obligations in respect of railway loans."

Turning to the question of industrial enterprise, Sir Frederick pointed out that Shanghai had, of course, taken the lead, and that at present a large variety of articles of foreign design were being manufactured locally; there was a considerable demand for foreign machinery of all sorts, he added, explaining that foreign trade was welcome and that the traditional reliability and honesty of the Chinese merchants insured that foreign merchants would receive a fair deal.

"The improvement of communications generally in China is naturally a matter of vital importance and is receiving the closest attention of the government," Sir Frederick said. "Road building on an extensive scale is in operation, and towns and villages, separated in the past by reason of bad communications, are being connected by motor bus as in England; also irrigation, social and public health work are all receiving attention.

"The importance of improving the waterways of China is fully realized, and it is proposed to dredge the Yangtze bar—the approach to Shanghai—experimentally at an early date with the object of providing a channel across the bar deep enough for vessels drawing 35 feet. A dredger of large capacity has been constructed in Germany and will shortly arrive in China to engage in this important work."

League Promises Continued Co-operation with China

Technical co-operation with China and measures taken for the suppression of drug traffic were stressed with satisfaction in the annual report released in Geneva, Dec. 28 by the Secretariat-General of the League of Nations dealing with the League's activities during 1934.

The report fully approves of the plans for continuation of intellectual co-operation with China and the creation of intellectual and technical employment offices planned by the Chinese Government both in Nanking and in the Occident with a view to adapting professional education of Chinese students in Europe and the United States to meet the present requirements for economic reconstruction work in China.

The document also favorably reports on the organization of hygienic services and continuation of sanitary and veterinary work, as well as on the development of communications and transit in co-operation with the road and hydraulic works departments of the Chinese National Economic Council.

The League Secretariat further emphasizes the fruitful and efficacious co-operation between the League and the Chinese Government, as expressed in the report drawn up last year by Dr. Ludwig Rajchman, Technical Liaison Officer of the League with the National Economic Council of China.

Regarding drug traffic, the report says that foundations have been laid during the year for a general plan juridically linking all parties to an anti-narcotic convention.

Thanks to a stricter and more general application of opium-trade regulations, the volume of legal opium traffic has shown a progressive decline.

League efforts, the reports says, are now directed toward the preparation of a new internrtional convention for the suppression of illicit drug traffic.

I.D. EMULSION
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AND BRANCHES

The Woman of Middle Age

There is not a woman anywhere,
Married or single, rich or poor,
Above the age of forty,
Who is not perturbed at the thought
Of what sufferings may be her lot
During the next few years.
Yet these miseries are not unavoidable.
Nor should they be encouraged
By unnecessary fears, which
Undermine nerve, spirit, morale.
Usually all that is needed
To ensure safe and tranquil passage
Through this time of change is
A plenitude of rich, red, strengthening blood
Such as Dr. Williams' Pink Pills supply.
Let these Pills safeguard you
As they have safeguarded many others.

Here is the experience of Mrs. M. A. Hill, of Woodbine Cottage, Hinton Parva, Swindon, England. She states:"I am 48 years of age, and two years ago I began to suffer the miseries that affect so many women at middle age. I grew nervy and depressed and was quite unable to do my work. I was frequently assailed by fainting fits. I lost flesh and became terribly weak. My nerves were in a dreadful state.

"Then I tried Dr. Williams' Pink Pills and was surprised at the rapid improvement in my health. By the time I had taken three bottles of Dr. Williams' Pink Pills I was like a different woman, bright and energetic. I feel now as though I have gained a new lease of life."

You, too, can gain new health through Dr. Williams' Pink Pills; obtainable at all chemists.

71-225

The National Economic Council in 1934

BY CHIN FEN
Secretary-General

THE work of the National Economic Council for the year 1934 has been mainly directed toward meeting the most pressing need of China today. This need lies in the amelioration of the living conditions of our people through the development of transportation and communication facilitaies, rural rehabilitation, and improvement of productive industries. These three important phases of economic development constitute the nucleus of our endeavor. But in view of the limited funds placed at the disposal of the Council, some guiding principles were laid down in the formation of a program for the present year. These principles were: (1) concentration of the funds on a few important and urgent activities only; (2) selection of certain regions in most urgent need of reconstruction; and (3) activities which may be important but beyond the financial resources of the Council should not be taken up for the time being. In the light of these principles and on the basis of $15,000,000 appropriated by the National Government for 1934, the Council's program of reconstruction was drawn up and subsequently received the approval of the Government.

In brief, the work of the Council may be divided into six sections, namely, highway construction, hydraulic work, rural rehabilitation, control of cotton industry, improvement of sericulture, and public health.

1. Highway Construction

In the first stage of road development, the Council limited its effort only to supervising the construction of highways in the three provinces of Kiangsu, Chekiang, and Anhwei. Six highways have been completed under the Council's supervision. They are: the Nanking-Hangchow, Shanghai-Hangchow, Nanking-Wuhu, Soochow-Kashing, Suancheng-Changhing, and Hangchow-Hweichow highways, totalling over 983 km. On the initiative of the Council, an Inter-Provincial Highway Traffic Commission has been organized, providing many facilities for inter-provincial highway traffic and removing many inconveniences that stand in the way of the free movement of motor vehicles.

The Council's highway activities have been later extended to four additional provinces, including Kiangsi, Hupeh, Hunan, and Honan, forming a seven-province highway system of a total length of about 22,000 km. Including 7,000 km. of the existing road, the Council has up to October of this year made it possible to complete the construction of over 14,700 km. Subsequently, the building of over 1,100 km. in Fukien Province has been placed under the Council's supervision. 470 km. of roads in that province have been completed. The roads now available for traffic in both the seven provinces and Fukien are over 15,270 km.

In the North West, two main trunk nighways are under construction, the Sian-Lanchow and the Sian-Hanchung Highways. The former highway is 750 km. long and is the main connecting line between Shensi and Kansu Provinces. Up to October, 150 km. of roadbed, 27 bridges and 40 culverts have been constructed. The Sian-Hanchung highway is 390 km. long, forming constructed. The Sian-Hanchung highway is 390 km. long, forming an important trunk line between the three provinces of Shensi, Kansu, and Szechuen. The section between Sian and Paochi being already existent, what remains to be constructed by the Council is the stretch from Paochi to Hanchung, 220 km. long. The construction of this line is already under way. Apart from the construction of highways, the question of highway transport in the North West has also engaged the attention of the Council. A special office has been installed to look after the questions of traffic control, building of bus stations, business operation, highway patrol and maintenance.

In order to make plans for the inter-provincial highway system and to improve the building and maintenance of highways, investigations have been made into the traffic conditions and actual milege of the various inter-provincial highways, their building materials and places of production, and petroleum possibilities in Szechuan Province. Two experimental roads have been built in the vicinity of Nanking, the first to test the use of various local materials for building road surface and the second to test the use of bituminous materials for surface treatment.

For the training of highway personnel and automobile mechanics, the Council has asked the Chiaotung University at Shanghai to offer courses on automobile engineering, in addition to a training school for automobile technique conducted under the joint auspices of the Council and the Inter-Provincial Traffic Commission.

2. Hydraulic Work

The great flood of 1931, which caused depredations on the most colossal scale, gave the Government a new impetus to cope with river conservancy works. The National Flood Relief Commission was createdto deal with the effects of the disaster brought about by the flood. After the Commission wound up its work, the Council was called upon to take over its programme in connection with hydraulic reconstruction. Over 2,000 km. of the main dykes of the Yangtze River on both banks from Hupeh downstream have been strengthened and raised higher than the water mark of 1931. Special efforts have been made to re-enforce bank protection works with big stones at some parts of the dykes in Hupeh Province which are liable to be washed away by flood. Similar repairs have been done for the dykes of the Hwai, the Han, and the Kan Rivers.

In the North West, plans have been made for carrying out the Kinghuichu and Lohuichu Irrigation Projects. Improvement works on these two canals are already under way, and when completed, will greatly benefit the irrigation systems in Shensi Province. The river conservancy work has been extended as far as Suiyuan, Kansu and Ninghsia provinces. In Suiyuan, the improvement of the Saratsi Canal has engaged the attention of the Council. An attempt had been made by the joint effort of the Suiyuan Provincial Government and the C. I. F. R. C. to improve the canal, but the work was suspended by reason of financial difficulties. The Council has now begun a resurvey of the region, because of the extremely flat topographical conditions that exist in that part of the country. For the study of the soils of the Saratsi Canal in relation to reclamation, the Council has availed itself of the services of Mr. Thorpe, Chief Soil Technologist of the National Geological Survey of China, whose report is now under examination. For the canals in Kansu and Ninghsia Provinces, surveys are being made and improvement work is now under progress.

For the remedy of the land submerged every summer by the Minshui to the extent of about 1,000,000 mow, the Kinshui Project has been undertaken under the Council's auspices since March, 1933 for the construction of sluice gates. The whole project is nearing completion and will make possible the reclamation of many hundred thousand mow of land for agricultural purposes.

The Yangtze and the Han Rivers in Hupeh Province are in imperative need of fundamental regulation. As a preliminary measure, surveys and investigations have been made; a levelling party to survey the level of the two banks of the Yangtze, and an investigation party to observe the hydraulic conditions of the Yangtze tributaries have commenced operations. For irrigation works in the North West and Kiangsi, and the upper reaches of the Hwai River in Honan, the Council commissioned surveying parties, and on the basis of their reports, plans have been drawn up for their improvement.

Prof. Omodeo, the eminent hydraulic expert of the League, was consulted by the Council's representative at Geneva last summer concerning the feasibility of some hydraulic projects. At the request of the League, Prof. Omodeo and a few other hydraulic experts have come to China for a local study and have placed their services at the disposal of the Council. Likewise, Prof. Engels of Germany, a leading autohrity of the Hwangho, has received a grant-in-aid from the Council which will enable him to complete his Hwangho experiments, so unfortunately interrupted and sometimes suspended by lack of funds.

It is commonly felt that the complexity and multiplicity of water conservancy organizations in the country have greatly hampered the efficiency of the administration. For this reason, the National Government has made the Council a central organ for all hydraulic organizations in order to accelerate the administrative efficiency and to pursue a more systematic policy in connection with hydraulic development.

3. Agricultural Rehabilitation

The Council has succeeded to the works of the National Flood Relief Commission created in 1931 to cope with the emergency relief measures, not only in water conservancy but also in rural rehabilitation. Loans have been granted to the farmers in the provinces of Anhwei, Kiangsi, Hunan and Hupeh on the working basis of the Mutual Welfare Societies which have been gradually transformed into Co-operatives. There are at present 2,361 Mutual Welfare Societies and 3,809 Co-operative Societies, and membership in these two groups of Societies reaches a grand total of 229,532. Of these co-operatives the most popular kind is the credit society.

Kiangsi Province, which has suffered most severely from the communist panic, awaits urgent measures of rural rehabilitation. The Council meets this need by (1) the establishment of ten rural welfare centres, (2) promotion of co-operatives, and (3) improvement of rural education and agriculture. The rural welfare centres have as their object the amelioration of the living conditions of the country people by means of the operation of demonstration farms, rural schools, mass education, and co-operatives. Co-operative work had already taken root in Kiangsi but it is now all the more necessary in districts which have been recently recovered from the communists. For this work, the Council has increased its appropriation and has set up a Special Committee for the administration of this co-operative fund. As to rural education and agriculture in Kiangsi, there is the inherent defect of the lack of co-ordination among various institutions. For this purpose, the Council has co-operated with the Kiangsi Provincial Government in the merging together of all rural organizations under the Kiangsi Agricultural Institute. This amalgamation will make it possible to centralize the administration and pursue a systematic development of rural work in the Province.

In the North West, the Council tackles the problem of agricultural development from two angles,—improvement of animal

husbandry and extension of rural co-opeartives. With thin population and vast areas of grazing land, the North West is rated very favourably for the rearing of sheep, cattle and horses. But the poor and obsolete method used in connection with animal husbandry leaves the industry in a deteriorated state. The Council has established a Northwestern Animal Improvement Station at Kanpingsze in Chinghai Province. This Station, if proved successful, will have branch stations in other cattle raising regions. Realizing that rural co-operatives will meet the urgent need of the farmers in the North West. the Council has co-operated with the Shensi Provincial Government in the establishment of a Shensi Agricultural Co-operative Committee which has the control of all co-operative work in that province. Over 200 co-operatives have been organize, and the farmers have been greatly benefited by their existence.

The recuperation of the tea industry in China also engages the attention of the Council. In conjunction with the Ministry of Industries and the Anhwei Provincial Government, the Council has reorganized the Tea Experimental Station at Chimen, Anhwei. This Station is favorably situated and has already over 760 mow of tea bushes under cultivation. Investigations of the tea industry are under way not only in different regions within the country but also in such tea growing countries as India, Ceylon, Java, and Japan.

4. Cotton Industry

For the purpose of impeoving cotton-growing and developing the cotton industry, the Council has formed the Cotton Industry Commission. It has purchased 30,000 piculs of selected cotton seeds and freely distributed them to the farmers in Kiangsu, Shensi, Honan, and Shansi Provinces. At Nanking, a Cotton Improvement Centre has been formed for the improvement of cotton quality and the extension of cotton-growing, with branch bureaux in Kiangsu, Shensi, and Honan Provinces. There is also a Cotton Demonstration Station in Shensi primarily for cotton extension work. For the training of personnel for cotton-grading, cotton-growing and cotton-co-operatives, bothe the Central University and the University of Nanking have been asked to offer such courses with grants-in-aid from the Council.

The improvement of cotton spinning, weaving, and dyeing technique forms a part of the program of the Cotton Industry Commission. In concert with the Academia Sinica, the Council has formed a special bureau with two laboratories, one for spinning, weaving and dyeing, and the other for research, both being temporarily housed in the Engineering Institute of the Academia Sinica. Recruitment of the personnel for cotton spinning, weaving, and dyeing will be drawn from such institutes as the Nantung Technical Tientsin Technical Institute of Hopei Province, and Soochow Technical Institute of Kiangsu Province which have received financial aid from the Council for personnel training.

To exercise control over the malpractice of cotton adulteration, a Central Bureau for the Prohibition of Cotton Adulteration at Shanghai with branch offices in the provinces has been formed under the auspices of the Council.

Investigations into the conditions of cotton raw material, manufacture and marketing have been made by the staff of the Cotton Industry Commission in the cotton-growing regions.

5. Sericulture Improvement

The sericulture situation in China has become so precarious that some remedial measures are imperative. For this reason, the Council has formed the Sericulture Improvement Commission. In the last spring, over 518,000 seedlings were distributed freely to the farmers in Kiangsu, Chekiang, and Anhwei Provinces. In the vicinities of Nanking and Hangchow, 2,000 mow each of barren hills have been reclaimed for planting mulberry trees. Scientific methods have been employed to demonstrate the cultivation of mulberry trees to the farmers by the Chekiang Sericulture Station and by the Hangchow and Kintan Sericulture Demonstration Stations.

With regard to seed selection, the Council has established collective seed stations at Nanking and Hangchow. It is expected that in three years time, 2,000,000 sheets of superior seeds may be produced for the immediate use of Kiangsu and Chekiang Provinces and ultimately for the whole country. The Station at Nanking has planted over 100,000 trees and that at Hangchow over 200,000 trees.

The work of silkworm rearing has proceeded in two directions, namely, intersive direction given in prosperous sericultural regions such as the model stations in Hsiaoshan, Hangchow and Kintan; and general supervision of a propaganda nature exercised all over the country, such as the demonstration stations in Chungking and Tungchwen in Szechuen, Ningchu in Shantung. Chuenchiao in Anhwei and Shunteh in Kwangtung. For promoting autumn rearing and increasing the farmers' output, 56 demonstration stations for sutumn rearing have been formed in Kiangsu, Chekiang and Shantung. In these demonstration stations, attention has been given to such work as incubation, disinfection of rearing rooms and implements, improvement of rearing and mounting, and promotion of sericultiral co-operatives.

With reference to the installation of modern cocoon drying machines and modern reels, it is urged that the sericultural districts should raise funds to purchase such machines with land, if necessary, from the Council, to be returned by installments. Prepara-

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CUSTOMS NOTIFICATION No. 1416

The public is hereby notified that, in accordance with Government instructions, the entry into China of the three following publications is prohibited:

"Ways that are Dark", by Ralph Townsend,
"The Chinese Soviets", by Victor A. Yakhontoff, and
"China's Red Army Marches", by Miss Agnes Smedley.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th December, 1934.

JAPAN
AND THE CRISIS OF 1935-1936

An exhaustive, 22-page treatise on conditions now prevailing in Japan and an analysis of Japan's present relations with China and other countries. It covers trade, finance, politics and armament.

Which Way Will the Japanese Cat Jump Next?

50-cts. a copy, including postage.

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII.
Shanghai.

tions have been made for the establishment of union filatures for the collective purchase of coconos and for technical co-oporation collaboration in management, and improvement of machinery.

The sericulture experimental work of the Council has been placed under the supervision of Dr. Mari, an Italian sericultural expert, who has engaged himself in the study of cross breeding. Some good varieties have been produced and in another year's time, some more varieties of good and superior quality will be available.

For the training of personnel in sericulture, the Council has organized a training school for sericulture field workers and also a sericulture institute to give training to more advanced students in this field.

6. Public Health

Under the Council's Central Field Health Station, eleven different laboratories have been equipped for the various departments. Some of the important studies carried out by the Station concern the privalence of malaria in and around Nanking, fly control by the use of cyanide, the activated-sludge sewage disposal plant, delousing and fumigation methods, the infestation of helminths among school children in Nanking, and the standardization of routine methods used in public health laboratories. In the field, investigation units and research stations have been operated. Special bodies started by the Council include the Northwest Epidemic Prevention Bureau at Lanchow, Kansu; the Kala-azar Research Station at Tsingkiangpu, Kiangsu; investigation units for schistosomiasis at Hangchow and at Chuhsien; for paragonimus at Shaohsing, and for fascjolopsis at Shiaoshan, Chekiang; and the vital statistics projects in Nanking and in Chuyung hsien, Kiangs.

The first rural health demonstration work was begun in 1931 with the creation of a station at Tangshan, a district about 20 miles east of Nanking. Medical clinics, control of communicable diseases, maternity and infant welfare, school health, environmental sanitation, health propaganda, and vital statistics are the main activities of the station. In the autumn of 1933, a more systematic rural health demonstration program was initiated at Kiangning hsien. The project for this complete hsien health system consists of: (1) primary health station served by a full-time nurse or specially trained auxilliary health worker; (2) a secondary health station staffed by a doctor, a midwife, and nurses; and (3) a hsien health center, as headquarters, which includes a hospital of a least 25 beds.

Mention should also be made of the health work that the Counil has been doing for the North West and Kiangsi Province. With the assistance of the Council, the health stations in Kansu, Chinghai, and Ninghsia Provinces have been organized. Special attention has been given to the prevention of animal disease in the North West. Likewise in Kiangsi, the Provincial Health Department was formed with assistance rendered by the Council both in finance and in personnel. This Department handles both municipal and rural health work in the Province.

Immediate aid has been given in areas where the local authorities alone were unable to deal with actual or threatened epidemics. The Council has participated in the control of bubonic plague in Shensi and Shansi, cholera in Shanghai, and diphtheria in Nanking. It has also been in hearty co-operation with flood and famine relief bodies for medical relief work; and special health services have been established for the care of highway workmen and the protection of bus lines' employees and passengers.

The rapid development of health work during the past two or three years has created a pressing demand for qualified personnel. Consequently, the Council has undertaken rather actively the task of personnel training in health activities. The First National Midwifery School was established in Peiping in 1929, and the Central Midwifery School was opened in Nanking in 1932. A Central School of Nursing was established at Nanking in 1932.

Besides the training of technical personnel, the Council has also carried out a rather extensive program for popular health eduction. Over 1,600 models, 700,000 copies of posters, and 3,000 lantern slides have been prepared and distributed. Thirty-nine health exhibition shave been given in 23 cities. Various health campaigns have also been conducted at least three or four times a year in co-operation with local authorities.—*Chekiai Agency.*

Japanese to Build Another Hospital in Shanghai

Another modern Japanese hospital is to be erected in Shanghai, to be known as the Shanghai Hospital. It will be erected at a cost of Yen 900,000. Construction work, it is stated, will be started in April.

The purchase of the hospital site has been contracted between the executive director of the benevolent organization Dojin Kai, Tokujiro Ono, and the Shanghai Land Investment Co., the owner of the lot. The site, which has an area of 27,000 sq. ft., is located at Dixwell and Paoan Roads. The cost of the hospital building will be defrayed from the China cultural works fund maintained by the Foreign Office and Japanese Boxer remittance funds. The expenditure for installing necessary equipment in the hospital is to be borne by the Dojin Kai.

THE GIST OF JAPANESE PRESS OPINION

American public opinion is aroused because of the formal decision of the Japanese Government to renounce the Washington Agreement. A careful study of the whole affair should convince Americans that there is nothing to justify their excitement.—*Tokyo Yomiuri.*

The London Pourparler has been adjourned without reaching any definite agreement. If this is because Japan's policy and position was not duly understood by Powers, the whole affair deserves her particular scrutinzation. If they are afraid of Japan's military strength, they should be made to know that it is for nothing but peace.—*Osaka Asahi.*

The most welcome part of the Report by Lord Barnby is his discovery of a promising market for British industry in Manchukuo and of the possibility for readjustment of the Anglo-Japanese economic relations. All this must be attributed to his recognition of actualities in the Far East and should be made the basis for Anglo-Japanese business cooperation. —*Tokyo Jiji.*

Lord Barnby's Report gives an insight to the realities of Manchukuo and as such well deserves the universal appreciation with which it is received. It contains many useful suggestions for a peaceful improvement of the Anglo-Japanese Manchu relations and will we hope find itself translated into British policies.—*Tokyo Asahi.*

National policies bearing on State defence and diplomacy are too important to be left to the decision of the Cabinet. The proposed National Policy Board will be useful if it is to help in these matters, but a free discussion in the Diet is necessary before definite decision are made.—*Tokyo Hochi.*

Unless something unforeseen intervenes, the Government-Seiyukai clash during the current session of the Diet will be inevitable. Whether the Seiyukai will be able to maintain its position through the crisis is as questionable as whether the Government can revert to dissolution of the Diet.—*Tokyo Miyako.*

The Government plan of strengthening sericultural industrial control is eliciting some opposition from silk reelers, but must nevertheless be considered as one effective means of improving the industry. The only point claiming the Government's reconsideration seems to be the proposed control of sales, which should not precede control of the output.—*Tokyo Jiji.*

It is regrettable that the Batavia Conference has been suspended without substantial agreements after prolonged negotiations. It is true that the Dutch-Japanese trade has witnessed a remarkable expansion of late years, and this fact should be made the basis of consideration in readjusting the difficulty at some future opportunity.—*Tokyo Asahi.*

Hollington Tong Resigns as Managing Director of the "China Press"

The resignation was announced on New Year, of Hollington Tong, as managing director of the *China Press*. His resignation was accepted by the board of directors. Ill health was given as reason for the resignations.

Mr. Tong has had a unique journalistic experience. He took a journalistic course at the University of Missouri in 1909; later went to Columbia University for post-graduate work. He was in turn a reporter on the *New York Times*, the *New York Evening Post*, and assistant editor on the *Independent*. He returned to China in 1912 and become assistant editor of the *China Republican* in Shanghai. He then went to Peking and was correspondent for a number of Chinese newspapers and one foreign paper in Shanghai. He served as editor of the *Peking Daily News* 1913-14, and was at the same time English secretary of the Senate in the first Parliament. After doing work outside of the journalistic field for several years, he become Peking correspondent of Millard's Review (now *the China Weekly Review*). He also published the *Yung Pao*, Tientsin, 1926. He was appointed managing-director of the *China Press*, in Feb. 1931.

Japanese Forces Reviewed in Hongkew Park

Vice-Admiral Gengo Hyakutake, commander of the Japanese Third Fleet, stationed in China waters, announced that the first review of the units under his command would be held at 10.30 o'clock a.m. Jan. 4 within Hongkew Park, with Rear-Admiral Sadasuke Araki, commandant of the Japanese Special Naval Landing Party, in command.

Armored cars, tanks, and artillery pieces were scheduled to complete their formations on Kiangwan Road after which they joined the units on foot for a march past the commander and his staff in the park.

Participating in the exercises are the special naval landing party and the crews from the cruiser *Idzumo*, flagship of the Third Fleet, and the destroyers *Kuri* and *Toga*.

Who's Who in China

Shao-tseng Wu, railway official; born at Yutien, Hopei, December 12, 1896; received his Chinese classical education under his father's tutelage at home; was graduated from the Yutien Higher Primary School and the Middle School of Tsunhua; studied preparatory course of civil engineering in Peiyang University, 1917; graduated from Chiaotung University in 1920, specializing in railway administration; received B.A. degree from University of Michigan in 1923 and M.A. degree from the same University in 1924, specializing in railway transportation; received Ph.D. degree from the Wharton School of Commerce and Finance of the University of Pennsylvania in 1929, specializing in railway economics; author of 'Railroad Valuation and Fair Return'; served in the Traffic Department of the Tientsin-Pukow Railway in 1921, in the Accounts Department of Chicago, Rock Island and Pacific Railroad, 1924-25; inspected railways of European countries, 1930; member of the National Railway Association of China, the National Highway Construction Association of China, the Accounting Society of China, and the Economic Society of China; from 1930 to 1932, served as Professor of Economics at the Railway Administration College of Chiaotung University, Peiping, and concurrently assistant to the Dean; lecturer on Transportation at Yenching University; lecturer on Railroad Valuation at the Railway Administration College of Chiaotung University, Shanghai; expert attached to the Ministry of Railways and concurrently officier of the Railway Through Traffic Administration, member of the Standing Committee on Fares, Rates and Classification of Goods, member of the Committee on Transportation of Goods at Railway Risk, Chief of the Accounts Division of the office of the Accountant General of the Ministry of Railways, officer of the Operation and Traffic Department of the Ministry of Railways, ex-office member of the Committee on Unification of Railway Accounts and Statistics, and member of the Purchasing Commission of the Ministry of Railways; since December 1932, has been serving as the Associate Managing Director of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railway Administration, for a while concurrently Chief of its General Department, and since August 1934, concurrently acting as Managing Director: address: the Nanking-Shanghai Railway and Shanghai-Hangchow-Ningpo Railway Administration, 370 North Soochow Road, Shanghai.

吳紹曾字省三
Dr. Shao-tseng Wu

吳紹曾，字省三，河北玉田人，三十八歲，幼從父習經訓，縣立高等小學及遵化中學校畢業，北洋大學土木工預科肄業，交通大學鐵路管理科畢業，美國密西根大學文科學士，及鐵路運輸科碩士，本薛文義大學鐵路經濟科哲學博士，著有「美國鐵路之估值與利潤」一書，先後在津浦鐵路車務處，美國芝加谷石島及太平洋鐵路公司會計處服務，並在歐洲各國考察路政，中華全國鐵路協會，中華全國道路建設協會及中國計政學會等會員，中國經濟學社社員，歷任交通大學，北平鐵道管理學院經濟學教授，兼佐理院務，北京大學運輸學講師，交通大學上海鐵道管理學院鐵道估值學講師，鐵道部專員，兼聯運處辦事，鐵路貨等運價委員會常務委員，鐵路貨物負責運輸委員會委員，鐵道部會計長辦公處第一科(會計科)科長兼業務司辦事，鐵道部統一會計統計委員會當然委員，鐵道部購料委員會委員，京滬滬杭甬鐵路管理局副局長兼領總務處處長，代理局長，通訊處上海北蘇州路三百七十號兩路管理局。

CUSTOMS NOTIFICATION
No. 1417

The public is hereby notified that, in accordance with Government instructions, Consolidated Tax will be levied in addition to import duty on Alcohol from the 1st January, 1935, at the following rates:

Ethyl Alcohol (*i. e.*, Spirits of Wine) ..... $ 0.13 per litre.
Denatured Alcohol and Methyl or Wood Alcohol (including Unsweetened Arrack and Fusel Oil)..$ 0.065 per litre.

Tax-paid Alcohol moved within the Consolidated Tax area will be exempt from interport duty.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 31st December, 1934.

"Hush!" by Edith Manning.

Tread sof'ly on the stairway,
An' sof'ly close the door,
Our baby's got a fever,
Which he's never had before.

Mos' times he is so happy,
An' now to hear his cries,
Brings such a dreffful heart-ache,
And burning to my eyes.

I thought I'd ask the doctor,
To make him quickly well,
'Cos he's our only baby,
Now I'm a growed-up gel.

But doctor only smiled and said,
"Jus' run and play, my dear
"We've Tablets that are Baby's Own,
"There's nothing much to fear."

So now I feel much happier,
'Cos always when I'm sick,
I ask my mummy for them too,
An' get well—Oh! so quick!

BABY'S OWN TABLETS
A Medical Child-Specialist's Prescription
FOR CHILDREN'S AILMENTS

71-229

Men and Events

J. M. McKee, deputy secretary of the Shanghai Municipal Council, retired Dec. 31 after 26 years service.

Edwin S. Cunningham, American Consul-General at Shanghai, returned this week from a vacation trip to the Philippines.

Earl H. Leaf departed from Shanghai Jan. 1 to take charge of the newly-opened Tientsin office of the *United Press* Associations.

The office of the Consulate General for Finland in Shanghai was removed Jan. 1 to 301 Route Cardinal Mercier, Apartment No. 10.

Tsao Shih-an, young Chinese aviator now studying at an aviation school in Lyons, France, will compete in the France-Annam air race this month.

Dr. Robert McCandlis, physician in the Presbyterian Mission in Huaiyuan, is in Peiping, where he is staying with Mr. and Mrs. C. C. Steinbeck in the Presbyterian Mission.

Miss Thelma Caroline Neal of Walnut Cove, North Carolina and Dr. L. E. Butler of Tokyo, were married by Judge Milton J. Helmick, of the U. S. Court for China, Dec. 27.

Edward Bing-Shuey Lee, well known Chinese journalist and author, and Miss Mary Tam, daughter of Mr. and Mrs. H. S. Tam were married in the China United building, Shanghai, Dec. 17.

Miss Louise How, daughter of Mr. and Mrs. Z. F. How, and Frank Ling, son of Mr. and Mrs. N. Z. Ling, were married in the Moore Church, in Shanghai, last week by Rev. Anderson.

F. Poletti, the Postal Commissioner, who was recently in the Peking Union Medical College for an operation, has now left that institution and is reported to be making a steady recovery.

A telegram from Habarovsk Dec. 31 stated that for several days an exceptional cold wave had reigned, the temperature dropping to 50 Centigrade below zero, equivalent to 58 below zero Fahrenheit.

S. S. Brill, a Chicago business man representing the Chicago Chamber of Commerce, and who has had extensive trade experience in South America, is a visitor to Shanghai. He is stopping at the Cathay Hotel.

Jabin Hsu, chief secretary of the Ministry of Finance, accompanied by Mrs. Hsu, returned to Shanghai this week from a trip to Manila where they were guests of Governor-General Murphy at Malacanam palace.

Kaname Wakasugi, first secretary of the Japanese legation in China, has been appointed counsellor of legation. Shoichi Nakayama, who has been legation counsellor in China, has been transferred to the Japanese embassy in Rome.

George V. Allen, formerly connected with the American Consulate-General at Shanghai, is now stationed at Patras, Greece. Mr. Allen was married on October 2 to Miss Katharine Thaxter Martin of Chevy Chase, Maryland.

W. Sheldon Ridge, editor of the *Peiping Chronicle*, who was on a visit to Nanking, broadcast from the Nanking Central Station XGOA, a review of China during the year 1934 under the title "China's Achievements in 1934."

Thomas Sze, resident in Peiping, brother of Dr. Alfred Sze, Chinese Minister to Washington, has left the former Capital for the South to recuperate from his recent illness. After his visit here he intends to spend some time in Hangchow.

Reginald Sweetland, Japan correspondent of the Chicago *Daily News*, formerly in Shanghai, and Mrs. Sweetland sailed from Yokohama for the United States on a holiday last week Mr. Sweetland, it is stated, will probably be transferred to a European post.

Authur Dudley, Jr., of Sacramento, California, has arrived in Shanghai to work for Getz Bros new dairy. Mr. Dudley is the son of the former manager of the Oregon State Chamber of Commerce. He made the best record at the University of Oregon Foreign Trade school last year.

General Ma Chan-shan, former Chairman of the Heilungkiang Provincial Administration, and famous defender the Nonni River bridge against the Japanese, has returned to Tientsin after a prolonged stay in Shanghai and Nanking. General Ma says that he will reside in Tientsin indefinitely.

Miss Chen Hsiang, a society belle and one-time winner of the title of "Miss Tientsin," was found guilty of cruelty to her slave girl and sentenced by the Tientsin district court Dec 27 to two and-a-half years' imprisonment. "Miss Tientsin's" mother, who was convicted on similar charges, was sentenced to three years' imprisonment.

Mrs. Margaret Proctor Smith, who spent several months in Peiping and in traveling in China last year, has returned to her home in Louisville, Kentucky. Mrs. Smith returned to the United States by way of the Soviet Union and Europe. She is planning to devote the present winter to writing and lecturing on subjects pertaining to China and Far Eastern problems.

Geoffrey Imeson arrived in Shanghai from New York this week and will succeed F. Oliver as chief editor of *Reuters* in Shanghai, Mr. Oliver is returning to his former post in Peiping, where he will become manager of *Reuters* office. C. J. Chancellor, Far Eastern general manager of *Reuters*, is planning to return to England on vacation early this year.

Lin Pin, Minister to Cuba and Yu Chuan-Chih, Consul-General at Havana, have both been recalled by the Ministry of Foreigh Affairs. Chu Shih-chuan, Assistant Director of the Intelligence and Publicity Department of the Ministry, has been appointed First Secretary of the Chinese Legation in Cuba and concurrently acting Minister and concurrently Consul-General at Havana.

The action taken against H. Schall, German, manager of the Singapore Rubber Company, 107 Museum Road, Shanghai by N. I. Korganoff, Russian singer, asking for civil damages following an automobile accident, was terminated Dec. 31 as the result of an appeal hearing in the Third Branch Kiangsu High Court. The High Court decision acquitted Schall of both criminal and civil charges.

The price of cattle in Shanghai has shown a sudden increase as the result of the ban by the Bureau of Public Health against import of cattle in view of the prevailing epidemic of the mouth and foot disease. With the Ministry of Railways cooperating in ordering temporary suspension of railway transportation of cattle from Taiyang and other districts, Shanghai is suffering from an acute shortage.

Eight persons were executed for smoking, smuggling and manufacturing narcotic drugs by the Shannhai Woosung Garrison Headquarters during the first six months since the promulgation of the special regulations governing addicts, smugglers and manufacturers, according to a report released during the week-end. One of the executed persons was a woman, who smoked "red pills" after treatment at a clinic.

The dedication took place at the Kiangwan Civic Center Jan. 1 of the Municipal Hospital and the Health Laboratory, at which many prominent officials of the City Government of Greater Shanghai and local medical leaders were present. The ceremony was presided over by Mayor Wu Te-chen. The Municipal Hospital occupies a total of more than 80 mow of land. The Health Laboratory occupies a total area of 10 mow.

Miss Betty Compson, movie actress and her husband, Irving Weinberg, are raising $1,000,000 capital in Los Angeles to organize a motion picture studio in Shanghai. The studio will produce talking pictures in the Chinese language for the most part, although a few prodnctions in English may be attempted. Miss Compson, accompanied by her husband, made a personal appearance tour of the Orient during recent months.

Mrs. Merriam Griffin Audouard, well-known Shanghai newspaper woman, died in the Country Hospital January 28, following an overdose of veronal which she had swallowed in her home. The deceased was a native of California. She married Rolf Audouard, local German businessman connected with Markt and Company, her second marriage, in 1932. Mr. and Mrs. Audouard had only recently returned from a visit to Germany.

Gin Lem, American citizen of Cantonese origin, wanted by the United States District Court of Southern California on a charge of "feloniously transporting Gin Fung Toy, a female person, from the Republic of China to the U.S.A. for the purpose of prostitution and debauchery and other immoral purposes," was placed under arrest by the Marshal of the United States Court for China as he arrived in Shanghai by the Dollar liner *President Harrison*, together with the girl on whom the charge centers.

The Japanese Ministry of Commerce Dec. 27 granted permission to leading Japanese oil companies to increase gasoline prices by 3⅛ sen as of January 1. The former price was 40 sen. This means that the cost of gasoline in Japan has previously been a little under the equivalent of U.S. $0.12 and is now a little above that price. In Shanghai the price per gallon is Shanghai—$0.91, which at present exchange equals U. S. $0.31 per gallon. The difference is mainly accounted for by the very high duty imposed by the Chinese government.

Dr. and Mrs. V. Parks Woods departed last Monday aboard the steamer *Colorado Springs* for the United States, traveling by way of the Philippines, Netherlands Indies and Panama Canal to New Orleans, from which point they will proceed to their home in Missouri. Whether they will return to China in the near future depends upon Dr. Woods' health which has been failing for some time. Dr. Woods, for several years has been a member of the dental firm of Smith, Isenmaa and Woods, with offices in the *North China Daily News* building. Mrs. Woods, who prior to her marriage was Miss Margaret Powell, was for several years connected with the editorial department of *The Review* and later with the publicity department of the British-American Tobacco Company.

America Has Large Lead in Aircraft Imports into China

The monthly returns of foreign trade for the month of November issued by the Chinese Maritime Customs show that for the 11 months of the year 1934 up to the end of November, America supplied aircraft and accessories to a value of G. U. 3,132,907 out of a total of G.U.4,387,299. France, which supplied G.U.593,320, was the nearest competitor to the United States.

America Also Easily First in Motor Cars

During the eleven months (Jan.-Nov. 1934) America supplied to China G.U.2,978,269 out of a total of G.U.3,597,248 of motor cars and G.U.3,106,771 out of a total of G.U.3,336,664 of motor trucks and buses. A Gold Unit is approximately two Chinese dollars, or about U.S.$0.65. (Gold $0.40.)

Goodwill Flight Marks Inauguration of New C.N.A.C. Service to Canton

The China National Aviation Corporation commenced its twice-weekly service with their two new Douglas Dolphin seaplanes, on the Shanghai-Canton route, this week. The first trip was a goodwill flight from Shanghai to Canton, the goodwill party visiting a number of cities en route.

The China National Aviation Corporation of which Dai En-ki, is the managing director, is constantly planning to improve and extend its services. One twin-engined Douglas D.C. 2 air-liner for the north-bound service to Peiping and one trimotored Ford for the new line between Chungking and Yunnan, via Kweichow, will be shipped from the American West Coast around the first of February.

E. M. Allison, operations manager and chief pilot of the company sailed for the United States Jan. 1 to supervise these shipments, to attend test flight of the D. C. 2, and to investigate preliminary test results on the new model Fairchild amphibian which it is hoped may prove suitable for use on the Yangtze run as far as Chungking. Mr. Allison will return to Shanghai about the middle of March. During his absence, William Bond, vice-president of the C.N.A.C., will be in charge of operations.

Government Distributes Medals to Airplane Fund Contributors

More than 250 individuals and public organizations were awarded medals by the Government and the China Aviation League at a ceremony held in the Huchow Club, Kweichow Road, Shanghai, Dec. 29. In appreciation of their services rendered in the campaign for funds for the purchase of military planes for the Government.

The Tien Chu Seasoning Power Factory and the Nanyang Brothers Tobacco Co. which contributed a Junkers' plane and a large amount of money respectively, were each awarded a gold medal, while the Chinese Chamber of Commerce, Ningpo Natives' Guild, Chinese Bankers' Association, Flour Merchant's Association, and Changchow and Chuanchow Natives' Guilds, were each awarded a silver medal. Mayor Wu Te-chen, of the Greater Shanghai Municipality, Pan Kung-chai, Commissioner of Education of the City Government, Gen. Yang Hu, Commander of the Peace Preservation Corps, Tu Yueh-sun and many others were awarded various kinds of medals for their work.

Fifteen Chinese Proceed to U. S. to Take Aviation Courses

Fifteen Chinese students of the Central Aviation School, Kienchiao, Hangchow, are proceeding to the United States on the *President Coolidge*, which sailed from Shanghai Dec. 3 to take up further studies in aerodynamics. Five of them will study in the United Aircraft Corporation, East Hartford, Connecticut, another five will join the Consolidated Aircraft Company, Buffalo, New York, while three of them will study in the Curtiss-Wright Corporation, Rockefeller Center, New York, and the other two will join the Kinner Airplane and Motor Corporation, Ltd., Glendale, California.

China Is America's Best Customer for Airplanes

A recent Washington message stated that American airplane and airplane motor manufacturers doubled there foreign export business during the ten-month period from January to October. The Chinese Government was the best customer, purchasing 127 planes and fourteen engines with a total value of $2,882,809.

Do You Know The Hills of Soo?

The Soochow hills have been visited by several generations of Shanghailanders but few of those who have tramped through the wooded glades know the wealth of legend and historic lore which have enriched the hills for much more than 3000 years. Some of the most interesting characters in Chinese history have lived in the hills and have left mementoes of their lives behind them. Do you know:

Why a small temple near Soochow is considered a literary shrine by all cultured Japanese?

The tragic story of the wife who divorced her husband of his poverty?

The mystery of the disappearance of China's most famous bell?

Where the Soochow plague was buried?

Why the creek at Mutu is called "fragrant"?

The story of the virtuous prostitute.

These are only a few of the many interesting stories about the hills as told in the December issue of Shanghai's most interesting magazine "China Highway." A complete and accurate map of the hills is published in colors.

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is $5.00 per year but in order to introduce the publication to new readers, we offer a trial subscription of three months for one dollar. This will include the Soochow Hills edition. Cut out and mail the coupon below:

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New Books of Interest in the Far East

An Authoritative Work on the Court of International Justice

The Permanent Court of International Justice, by Manley O. Hudson. N.Y.: The Macmillan Company, 1934. 731 *pp.* G.$5.

The efforts to solve international disputes through legal means are almost as old as modern imperialism, which is responsible for most of the conflicts. The first of such efforts on a major scale materialized in the Hague Convention of 1899, which created the Permanent Court of Arbitration, codified the arbitration law and formulated the arbitral procedure. The second step was taken in 1907, in the second Hague Convention. In the interim there were numerous Commissions of Inquiry and the opera bouffe Central American Court of Justice.

After some fifteen years of arbitral progress, the 'best ever' war commenced over a minor and easily arbitrable incident. It was only five years later, in 1919, that legal minds reawakened with new projects for the adjudication of international disputes. The scheme envisaged a court whose decisions would be enforced by a League of Nations. The League Covenant was inserted into Clemenceau's document of brotherly love and goodwill, popularly known as the Versailles Treaty, and by September 1, 1921 the Court came into existence.

The new body borrowed extensively from the two Hague Conventions, but came much closer to approximating a court than the ineffectual tribunal set up under the terms of the Conventions. The court's jurisdiction was extended to disputes as to interpretations of treaties, questions of international law, existence of any fact which if established would constitute a breach of any international obligations, and the extent and nature of reparations for such a breach. The court was empowered to apply practically any kind of law or convention in use among the civilized nations. Its decisions were to be advisory, at the request of the League, and binding judgments.

Efforts of internationalists to make the Court's jurisdiction compulsory have ended in failure, despite the fact that by the end of 1933, 41 out of 49 original signers of the Court statute, accepted the so-called 'optional clause.' A majority of the powers, though sure of their desire never to deviate from the straight and very narrow path of international righteousness, did not want to take any chances with a court, whose judges were more or less beyond the ordinary means of persuasion. Most of the acceptances were thus made with reservations, which made acceptances worth not very much more than the paper they were written on. China's acceptance was of the more sincere variety, she accepting the optional clause for five years (1922-27), but stipulating that the other party to a dispute would also have to be a subscriber to the clause.

On the whole the Court has been successful. Although having no sanctions, beyond public opinion (the effectiveness of which was so beautifully demonstrated in two recent withdrawals from the League), its decisions have not been ignored once. The composition of the court is extremely strong, as demonstrated by its Chinese member, Dr. Wang Chung-hui, who is now employing his arbitral talents in the Nanking-Canton squabble. Dr. Wang has been Minister of Justice and Foreign Affairs, Judge of the Supreme Court, and President of the China Codification Committee. He has also made a monumental translation of the German Civil Code into English.

The shortcomings of the Court are as glaring as its achievements Its critics may with justice assert that its decisions were obeyed only because they were seldom concerned themselves with major conflicts. Disputes of the importance of the Manchurian Incident, though numerous since 1920, have never seen the Court docket. Another defect is the refusal of the United States to subscribe to the World Court protocol, even though some of its most distinguished citizens (J. B. Moore, C. E. Hughes, F. B. Kellogg) have been judges of the Court. Numerous efforts have been made by U.S. Presidents to tie up with the Court, and equally sincere efforts were made by League members to cater to America's fears and prejudices. All these proved of no avail against the broad minds of Middle Western senators, so tenderly described by one of their eastern colleagues as the "sons of wild jackasses." There are rumors afoot that President Roosevelt will soon browbeat Congress into an acceptance of the Protocol.

Professor Manley O. Hudson's book on the Court deals with all these questions with admirable comprehensiveness and accuracy. The work is the first book in any language on the subject, and will undoubtedly remain unequalled for years to come. Prof. Hudson, it will be remembered, is a member of the Permanent Court of Arbitration, and an outstanding authority on international law.

The book deals at some length with the history of arbitration efforts prior to the war, gives a detailed story on the formation of the Permanent Court of International Justice, and then describes with minute details the Court statute, its revisions, composition of the Court, its rules, jurisdiction, organization, work and relations with the League and the world. The book has 130 pages of appendices, giving the texts of the more important documents of the Court history.

It they are any shortcomings in the book, they are the omission to evaluate the work of the League in a separate chapter, and the failure to give any mention to Soviet Russia. These, however, could be justified on the ground that Mr. Hudson was writing a legal and not a political document.

The book is indispensable to any student of the world organization.

M. GINSBOURG.

"North China Daily News" Issues New China Atlas

The *North China Daily News* has just published a second edition of *China—Provincial Atlas and Geography*, which contains maps of every province in the country, new and old names of places (with index), a description of the flora and fauna, statistics of area and population, together with full details of the means of communication, industries and foreign relations of China. A feature that will be particularly appreciated by the Chinese is that Manchuria is included in the contents (both maps and text, although the title is merely "China.") In this new edition appears a map in colors, showing the principal boundaries, rivers, railways and air routes. There are also separate maps of each of the provinces. A feature of the book is the appearance of sundry photographic reproductions showing some distinctive feature of the various parts of the country. The *North China's* atlas is in its general plan similar to one issued many years ago by the *National Review*,—an excellent weekly journal which has long since, however, gone out of existence. The publishers refer to the difficulties of getting accurate information of distant parts of the country, but the reader, we believe, can generally rely on the *North China's* reputation for accuracy.

Recent Pamphlets Received

The China Institute in America, 119 West 57th Street, New York City has issued a catalog of "Selected Books on China" classified as follows:—General works, history and biography, geography and travel, philosophy and religion, art and literature, education, customs and social life, economics and commerce, government and foreign relations.

The Bureau of Social Affairs of the City Government of Greater Shanghai has compiled a publication entitled "Standard of Living of Shanghai Laborers." It is published by the Chung Hwa Book Company and gives a complete view of the general conditions of life of Shanghai working families. The inquiry of the Bureau extended over a period of twelve months and covered 305 individual working families, which were carefully chosen to represent the principal industries of the city.

Carved Plaque Given by China to U.S. Congressional Library

A massive plaque, carved with calligraphic characters and designed by Hsu Chih-chang, former President of China, was received from the Peiping National Library by the Congressional Library in Washington, Dec. 27. Mr. Hummel, director of the Oriental Department of the Library, said that the presentation was a token of the growing cultural understanding between the United States and China and a gracious acknowledgment of the influence of the Congressional Library upon China's rapidly expanding library system.

Shanghai Native Banks Get Help from Central and Other Banks

More than 20 native banks in Shanghai applied end of last week to the Central Bank of China, the Bank of China and the Bank of Communications for loans to be paid out of the sum of $10,000,000 appropriated by three banks for the special purpose of assisting native banks to tide them over the monetary crisis. As a result of a meeting held by Hu Mei-an, representative of the Central Bank of China, Hung Chung, assistant manager of the Bank of China and Chang Pei-seng, assistant manager of the Bank of Communications, applications for loans amounting to over $1,500,000 were approved, the accommodations to be in the form of credit transfers. According to native banking circles, those loans paid in the form of credit balances will be repaid by credit transfers. No cash has been paid by the three big banks "over the counter," and only mortgaged title-deeds and public bonds are handled.

GEN. CHIANG KAI-SHEK GIVES VIEWS ON ECONOMIC SITUATION; REDS SUFFER REVERSES IN KWEICHOW

(Continued from page 188)

The Ministry of Finance has been instructed by the Executive Yuan to repudiate the agreement concluded by the (Szechuan) Young Brothers Banking Corporation with a British firm for a $50 million loan secured, it is alleged, on the mining resources of Szechuan. Reports of the loan negotiations aroused strong opposition a few months ago among the Chinese students in Britain and later among the people of Szechuan. Investigations were conducted by the Ministries of Industry and Foreign Affairs in September upon instructions of the Executive Yuan.

It is authoritatively learned that the Ministry of Finance has decided to double the import duty on tobacco leaves as from January 1, 1935. The decision has been made, it is learned, at the joint request of the tobacco producers in Kansu, Shensi, Honan and Shansi in order to protect the native tobacco trade.

More banks have been established in Nanking during the last year and have enjoyed good business. It is reported that the deposits in these banks total about $90,000,000.

Two Central Executive Committee members, Liu Shih, Chairman of Honan Government, and Li Ching-tsai, are reported to have submitted a proposal to the Central Political Council, requesting the National Economic Council to appropriate a sum of $3,000,000 for the opening of the mines under state control in Honan province. The Central Political Council has recommended the proposal to the National Government which has, in turn, instructed the National Economic Council and the Ministry of Industry to draft detailed plans for the enterprise.

The income derived during the past year by the Honan Provincial Government from the Salt Tax has reached a record figure of $7,000,000, representing an increase of $700,000 over the amount last year.

At meeting of the Central Political Council Dec. 28, Chang Ching-kiang, Chairman of the National Reconstruction Commission, proposed that the Commission should undertake the construction of the tramways in western Shanghai. Mr. Chang submitted a detailed plan on the project which after long deliberation was adopted by the Council.

A sum of $400,000 will be appropriated by the National Economic Council to the Sericultural Improvement Commission for carrying out a program for the improvement of sericulture and the promotion of the silk industry for 1935, according to information from the Council.

Beginning from New Year's Day, free trade in salt will be permitted at the Capital, it is learnt at the Ministry of Finance. The salt will be supplied by the salt fields in the northern and southern districts of the Huai Valley. The restrictions on the freedom of trading in salt will be removed in order to encourage competition among the salt merchants, thereby improving the quality of salt.

SEVENTEEN PROVINCES AFFECTED BY NATURAL CALAMITIES

Seventeen provinces including three hundred and four districts have been affected by calamities caused by floods, drought, and banditry during the period from Sept. 26, 1934 to the present, according to a report published by the National Famine Relief Commission. In view of the pitiable plight of the victims in the affected areas, the Commission is understood to have petitioned the Government to make adequate appropriations for emergency relief during the Winter season.

NANKING TO ERADICATE OPIUM EVIL IN SIX YEARS

With a firm determination to eradicate the opium evil in China, the National Government has fixed a period of six years to rid the country of the menace. According to a recent investigation made by the Ministry of Interior, at present there are about 30,000,000 opium and drug addicts in the whole country and hospitals have been established in various provinces for the cure of their bad habit.

204 DRUG DEALERS EXECUTED IN 1934

The Anti-Opium Committee has just completed a survey of the number of opium and narcotic smugglers who have been executed during the last year. The survey shows that 204 persons, found guilty of selling and smuggling opium, drug pills and other narcotics in seven provinces, were executed during this period. The largest number, totalling 167, were executed in Shansi province.

The anti-drug drive has been intensified in Nanking as the police arrested every person suspected of being an opium or drug addict on the streets and in private residence. More than 300 have been taken into the police recently headquarters. Two hundred pieces of smoking paraphernalia were seized.

2,000 OPIUM ADDICTS CURED IN SIX MONTHS

Two thousand opium and drug addicts, who have been treated in the temporary clinic at Lunghua organized by the Municipal Government of Greater Shanghai, have been cured during the last six months. Only 100 beds are maintained by the clinic, which have proved insufficient to meet the number of persons who come for treatment. At present there are 300 drug addicts on the waiting list. Further plans to expand the work of the clinic are being pushed.

Chinese Diplomat Is Baptized by Ex-Foreign Minister in Belgium

An interesting christening ceremony took place at St. Andrew's monastery, in Lophem, near Bruges, Belgium, Dec. 28, when a former Chinese Premier and Foreign Minister, Lu Tseng-hsiang, who represented his country at many international conferences, including the Versailles Peace Conference, and who later entered the Order of the Benedictine monks, baptized a former colleague in the Foreign Ministry, Liu Fu-Cheng, who is at present in Europe on a diplomatic mission and who took the opportunity of having the act of entry into the Christian church performed by his countryman and associate of earlier years.

Stock Quotations to Be Broadcast Over Only One Station in Shanghai

Three brokerage houses in Shanghai (The American Oriental Finance Corporation, Messrs. S. E. Levy & Company, and Messrs. Swan, Culbertson & Fritz) who hitherto have broadcast their market quotations over three separate and distinct radio stations are amalgamating their broadcasts with a view to establishing, if possible, a single financial and market broadcast in Shanghai. The three brokerage houses named above have associated themselves, with the co-operation of *Reuters* News Agency, for the purpose of establishing a single financial broadcast over Radio Station XQHA.

Suspect in Hangchow Murder Case Arrested

The first arrest in Shanghai in connection with the assassination of Sze Liang-tsai, proprietor of the *Shunpao*, was effected by the Shanghai Foreign Municipality Police Dec. 29 when they took into custody a private watchman named Chang Wen-tien. Brought before the First District Court, Chang asserted his innocence in connection with Sze's murder. The Court, however, adjourned the hearing till January 8 next to enable the Hangchow judicial authorities to send officers here to produce prima facie evidence against the arrested man.

U. S. Tung Oil Held Up in Szechuen

A consignment of 1,000 tons of tung oil purchased by an American firm know as the Washington Paint and Varnish Co., was held up by the authorities at Wanhsien, Szechuen while it was being loaded on a vessel for Shanghai. Telegrams have been exchanged between the Chinese and American authorities, and the Ministry of Foreign Affairs has instructed General Liu Hsiang, chairman of the Szechuen Provincial Government, to permit the tung oil to be shipped to Shanghai.

Mayor Wu's Son Says China Will Fight to Bitter End

George Wu, son of Mayor Wu Teh-chen of the Municipality of Greater Shanghai, in a recent address in the United States declared that young China does not fear Japan and "will fight to the bitter end" if the Japanese continue their efforts to seize Chinese territory. George Wu is a student at the Wharton School of Commerce at the University of Pennsylvania. Young Wu in his address said that China's fighters in the Shanghai war in 1932 had dispelled the myth of Japan's power and "we are not afraid of them." He also expressed the view that the Chinese in Manchuria are tiring of Japanese rule and in time will learn that their own country can do more for them than Japan can.

Mayor Wu Te-chen Outlines Plans in New Year Message

In a New Year message to the citizens of Shanghai, General Wu Te-chen, the Mayor, set forth his hopes and plans for the coming year, He outlined an ambitious program of cultural, educational, industrial and municipal development and sounded an optimistic note regarding the future of Shanghai. In the course of his message he said that due to the general economic depression, the plight of the people has become increasingly difficult. Endless fows of straw huts may be seen, and the dwellings are often so primitive and insanitary that they provide a fertile breeding-ground for disease. The aged and the weak are too often homeless and destitute; the sight is indeed heartrending. A situation like this this is not only a disgrace to the city, but is also a serious menace to public health, Mayor Wu said the Municipality hoped to raise a special fund of one million dollars this year for the construction of six model villages, comprising 3,000 houses for the workers, in Nantao, Chapei, Pootung, and the Western and Eastern Districts. The establishment of children's nurseries (creches) is also an important part of the present program of municipal reconstruction. In this commercial and industrial centre, numerous factories are established, said, but the masses are so absorbed in eking out a bare livelihood that they have hardly any time to look after the welfare of their children. Two children's nurseries, one in Nantao and another in Chapei, are to be established this year so that the children of the workers may not suffer for lack of care.

The Stadium for athletics, the Public Library and the Museum buildings were also expected to be completes this year.

Many other projects, such as construction of a public auditorium, readjustment of slaughterhouses, and, not least, improvement of the living conditions of the ricksha pullers, will also be actively carried out as financial resources permit.

Hitler in Proclamation Sends Greeting to Armed Forces

Chancellor Hitler in a proclamation in Berlin at the end of the year said: "My greetings for the New Year to all members of the armed forces," adding thanks and recognition for their past services. The proclamation concluded by saying that "for the future all our services shall know only one goal, namely, Germany's resurgence in peace of equal rights, honor, and assured freedom."

Standard-Vaccum Oil Co. Officials Take Part in Conferences at Shanghai

F. W. Parker, president of the Standard-Vacuum Company, and J. C. Goold, general manager of Standard-Vacuum in Japan, are at present in Shanghai. They have been taking part in conferences in the Standard-Vacuum building in Canton road. Chinese reports of important conferences between high officials of all the foreign oil companies represented in Shanghai with a view to deciding on a course of action in regard to the Manchukuo oil monopoly and alleged Soviet "dumping" have several times been denied by officials of the companies concerned.

A Japanese Version of the Conference

In connection with the oil conference in Shanghai, the Shanghai *Nichi Nichi* Dec. 26 printed the following:—"The adoption of the oil monopoly system in Manchukuo some time ago considerably alarmed the British and American oil companies having business in Manchukuo. Because Manchukuo's attitude has not changed a bit, the companies concerned have fouud it necessary to decide on final measures, and it has been decided that a joint meeting of the companies concerned hold a conference in Shanghai to devise common measures to cope with the situation. The representatives of the companies stationed in Japan, Manchuria and China will assemble for the conference. Already the general manager of the Standard Oil Company, the manager of the Texas Oil Company, and two others, Mr. Malcom, the manager in Japan of the Asiatic Petroleum Company, and Mr. Goold, Far Eastern representative of the Standard Oil, have arrived in Shanghai from Tokyo for the parley. According to current reports, loss of trade in Manchuria will be a severe blow to the companies concerned at this time, and therefore, the attitudes of the companies have recently become much modified. It is being observed as a result that supplies will be continued after all under certain conditions.

U.S. and Britain Make Further Representations to Tokyo on Japanese Oil Law

Further representations to the Japanese Foreign Office were made Dec. 27 by both the British and the United States Embassies at Tokyo in regard to the effect of the new Japanese oil law upon foreign companies. It is understood that the proposed Manchukuo oil monopoly was not discussed on this occasion. A new Japanese law which requires the companies to store six months' supply of oil gives the Government the power to fix quotas and prices.

As it was recently announced that in fixing quotas an increase in trade would be allotted to Japanese suppliers, the effect of the law upon foreign companies would be not only be to involve them in heavy additional capital expenditure, but to deprive them of the opportunities to recoup themselves by increasing their trade.

Real Estate Review by Realty Investment Co.

This is the fourth time the Pioneer Field has been lengthened recently in connection with permits for new buildings. It has long been known as a Recreation Ground, and with each additional new medical building it will soon be a great medical center.

The permit this week are for three new medical buildings. One a four-story; two will be each one-story. The Pioneer Field is on Pere Froc between Rue Bayle and Rue Montmorand.

Additional building permits in the French Concession are as follows:

15 Chinese houses inside from De la Tour, between Route de Sieyes and Frelupt.

1 double Hong, 1 single Hong—2-story on Route Vallon, west of Du Roi Albert.

1 small residence—2-story—off Rue Montmorand, between Rue Boppe and Rue Wantz.

3 shops, 3 single Hongs, 1 double Hong and boundary wall on Route de Zikawei, east of Du Roi Albert.

In the Central District there are two permits:—

One is the conversion of a godown into 7 shops inside from the Bund, north of Canton Road.

The other is for the alteration of 4 foreign stores on Shanse Road, between Foochow and Hankow Roads.

In the Northern District there is one permit:

It is for an addition to St. Luke's Hospital on Seward and Nanzing Roads, opposite the main building.

In the Western District there are four permits. They follow:

18 Chinese shops, 10 Chinese Hongs on the corner of Wuting and Markham Roads.

A watchman's house and boundary wall with gate on Yu Yuen FRoad, western of Hart Road.

4 Foreign stores on Bubbling Well Road, west of Yates Road.

2 Chinese houses with garage on Wuting Road, between Medhurst and Gordon Roads.

In the Eastern District there are eight permits:—

A School building on the North-west corner of Pingliang and Meichow Roads.

A godown and workshop on Thorburn Road, south of Ward Road.

A watchman's house, wall and gate on Hochien Road and Seoul Road extension.

A workshop and storehouse on the North-west of Meichow and Lungkow Roads.

An open shed on the corner of Paoting and Tongshan Roads.

Extensions to a spinning factory off the North-west corner of Lungkow and Meichow Roads.

A gasoline and material storage off the corner of Chinchow and Ningkuo Roads.

An extension to the Tar Plant on Glen and Yangtszepoo Roads, which is part of the Shanghai Gas Company.

Ambitious, But Laudable, Reclamation Projects in Southwest Shansi

In a report recently submitted to the Shansi Water Conservancy Commission, under General Hsu Yung-chang, O. J. Todd outlined the irrigation projects which might bring prosperity to South-west Shansi. The report is based on surveys recently made under the auspices of the China International Relief Commission. These surveys are supplementary to the main surveys for water conservancy in the province. Their chief object is to furnish cheap power to pump water for irrigating plateau lands in the Hotung region of south-west Shansi and to furnish low priced power for industrial development along the Fen Ho. The projects comprise the installation of hydro-electric plants of 50,000 horse power at the Yellow River Falls, of 1,400 horsepower at the Kwang Sheng Sze Springs, of 400 horsepower at the Chu Wo Falls and 250 horsepower at the Chintze Springs. They also include pumping plants at Hotung of 265,400 gallons per minute, at Yumenkou of 8,623 gallons per minute and at Lungmenchu of 134,640 gallons per minute. The most ambitious project is that at the Yellow River Falls. The total cost of the installation is estimated at about $7,000,000 with an annual charge on completion of about $990,000. Mr. Todd estimates that within five years the whole of this new power of the Yellow River Falls can be economically absorbed. Several other projects are explained in similar detail.